



## for immédiate release American Newsfile

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293 HORNBY ROAD, BOMBAY

"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."



- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the 3e before the U. S. Supreme Court of Abrams v United States.

March 1, 1946

#### TRUMAN CALLS CONFURENCE FOR FOOD ECONOMY DRIVE

Washington, Feb. 28 -- White House Press Secretary Ross announced yesterday that President Truman has sent a telegram to 13 public spirited citizens inviting them to a conference in the White House to organize "an aggressive voluntary program on the part of private citizens to reduce food consumption in this country." The telegram said:

"I am sure you are familiar with the acute need for foodstuffs in the wartorn countries of Europe and Asia. Our national self-respect and our duties as
human beings demand that we do all possible to stop the spread of famine. I have
directed the agencies of the Government to do everything possible to this end.
But the Government alone is not enough. We cannot meet this situation without
an aggressive voluntary program on the part of private citizens to reduce food
consumption in this country.

"I am asking you and a very few other public spirited citizens to meet in

wing of the White House at three o'clock Friday afternoon, March 1, to means for supporting such a voluntary program. Ex-president Hoover has my invitation and will be there. I count on your support. message was sent to Sheldon Clark, vice president of the Sinclair Oil ion; Justin Miller, president of the National Association of Broadcasters Francis, chairman of the board of General Foods Corporation; Dr. George up of Young and Pubican; Henry R. Luce, Time and Life magazines; James W. . Walter Thompson Company; Dr. William I. Myers, Cornell University; C. Davis, former War Food Administrator; Eugene Meyer, publisher, Washing t; Mrs. Anna Lord Strauss, president, League of Women Voters; Mrs. Lucy Inson, president, Federation of Women's Clubs; Eric Johnston, president, amber of Commerce; and Herbert Hoover, former U.S. President .--- USIS. ARD WILSON WILL BE U.S. OFFICER ON UNESCO'S INTERIM SECRETARIAT ashington, Feb. 27 -- The appointment of Doctor Howard E. Wilson as the al officer designated by the United States Government to serve on the tional secretariat of the preparatory commission of the United Nations enal. Scientific and Cultural. Organization was announced recently by ≺nt Secretary of State William Benton.

filson succeeds Doctor Walter M. Kotschnig, deputy executive secretary of mission, who is returning to the United States to resume his duties as ate chief of the Division of International Organization Affairs of the Department.

from Harvard, where he became associate professor in the graduate of education. Resigning in 1945, he became assistant director of the pof Intercourse and Education of the Carnegie Endowment for International also served in various organizations devoted to the study of lems, domestic and international. He has been a contributor

al studies.---USIS. \_ 2 -

hal journals and has published several books in the field of

#### PROFILE OF NEW U.S. SECRETARY OF INTERIOR

Washington, Feb. 28 -- Julius A. Krug, whom President Truman has selected as Secretary of the Interior to replace Harold L. Ickes, who has resigned, is 38 years old and will be the youngest member of the cabinet. The nomination has to be confirmed by the Senate.

Krug was chief power engineer to the Tennessee Valley Authority before he came to Washington in 1941 as chief power consultant to the Office of Production Management. When OPM became the War Production Board Krug continued with it, finally becoming chairman of its important requirements committee.

He resigned to serve as a lieutenant commander in the Navy from April to August, 1944. When Donald Nelson resigned as WPB chairman, President Roosevelt named Krug to succeed him. Under Krug the war production organization was tightened up, production stepped up and a beginning made in systematization of reconversion plans. Since November 1945 Krug has been in New York City with his own engineering firm, which he established on leaving WPB.

Krug is a native of Madison, Visconsin. He was graduated from the University of Wisconsin, where he took the bacholor's degree in economics in 1929 and the master's degree in public utilities a year later.

After a brief spell as research statistician with the Wisconsin Telephone Company and three years of technical work with Wisconsin Public Service Commission, Krug was appointed to the Federal Communications Commission in 1936. Later he was director of the Kentucky Public Service Commission and in the latter part of 1937 joined the Tennessee Valley Authority.---USIS.

#### TRUMAN APPRAISED OF CHINA UNITY TALKS

Washington, Feb. 28 -- James Shepley, who accompanied General George C. Marshall on his special mission to China as President Truman's personal representative, and who has just returned to Washington, yesterday gave the President an informal report on what the mission has been doing. Shepley went to China as an attache to the mission, but will not return there -- remaining in Washington to complete the work relative to his report on the mission. He will then return to private life.---USIS.

#### U.S. CONSULATES WILL BE OPENED IN GERMANY

March 1 American consulates will be opened in Germany at Berlin, furt, Hamburg, Munich, and Stuttgart.

These offices will provide normal consular facilities, including welfare and protection work, issuance of American passports and visa facilities, Byrnes said. American passports will be issued to American citizens in Germany to enable them to come to the United States. When the consular offices open, the procedure to be followed by American citizens wishing to come to the United States will be publicized, the Secretary stated.

Concerning refugees and displaced persons resident in the American zones on December 22, 1945, the Secretary referred to the President's directive of that date and reiterated the desire of the U.S. Government to join with other governments in receiving a portion of these people. He stated that the interdepartmental committee which has been investigating the situation in Germany has reported that the largest numbers of these displaced persons are near Munich and Stuttgart and, therefore, consulates in those cities have been instructed to grant visas, within the quotas authorized by law, to qualified persons resident in those districts last December. Consulates in Berlin, Bremen and Frankfurt, in the American zone, will consider such cases in the near future, the Secretary added. Full information concerning requirements is being circulated in camps in Germany.---USIS.

#### U.S. EXPRESSION OF REGRET OVER CZECH INCIDENT

Washington, Feb. 28 -- The State Department announced yesterday that the Czechoslovakian Government has accepted U.S. expression of deep regrets for the February eleventh incident in which American troops in the U.S. zone of occupation in Germany crossed into Czechoslovakia in a search for documentary evidence against the Nazi Government. The Czech Government has indicated its entire satisfaction with the assurances that the expedition was undertaken without the knowledge or approval of the U.S. Government, and that the documents seized will be returned the Department said ---USTS

#### NO SECRET CLAUSE IN YALTA ACREEMENT ON RETURN OF SOVIET CITIZENS

Washington, Feb. 27 -- A State Department spokesman yesterday denied a press intimation that there was a secret clause in the Yalta agreement binding the United States to return to Russia Soviet citizens who left Russia after 1929. There is, however, a military agreement reached at Yalta which was not signed by the heads of states but by military chiefs, the spokesman said, but it does not apply to Russians who left the Soviet Union before September 1, 1939, the day on which the Germans invaded Poland.

The only Russians (exclusive of those held as war prisoners by the Germans and liberated by the allies) whom the United States is returning to the Soviet Union are deserters, traitors, and those on war criminal lists. No other Russian citizens or citizens of countries now occupied by Russia have been or will be forcibly handed over to Russia, the spokesman said. All those who fought in the German army but claim Soviet citizenship are treated as prisoners of war and are now in the process of being screened, he added.

A complete statement of United States policy in this regard is contained in the State Department release of May 3,1945, which refuted the statement made by a high-ranking Soviet official to the official Soviet news agency, alleging that the United States Government had not lived up to the Yalta agreement regarding the treatment and repatriation of liberated Allied prisoners of war.

The press dispatch which brought forth the spokesman's denial was a New York

Times correspondent's story datelined Rome, February 23, which appeared in the

Times on February 25. The story said: "One clause of the Yalta agreement signed
by former British Prime Minister Churchill and the late President Roosevelt pledged

Britain and the United States to consider as Russian citizens all those who left
the Soviet Union after 1929 and to send back to present Russian territory those
claimed as citizens by Moscow, Vatican sources said."——USIS.

#### TRUMAN NOMINATES NEW ASSISTANT SECRETARY OF STATE

Washington, Feb. 27 -- President Truman today nominated Major General John J. Hilldring, now director of the War Department's civil affairs division, to be an Assistant Secretary of State. The President did not specify exactly what his function would be. State Department press secretary Michael J. McDermott said General Hilldring would perform such duties as the Secretary of State would assign him.

General Hilldring's war service included duty as assistant Chief of Staff of the War Department's personnel division as well as in the civil affairs division. He was awarded the Oak Leaf Cluster to the Distinguished Service Cross in October 1945 for "exceptionally meritorious service" in connection with the function of military government and civil affairs in occupied areas.---USIS.

#### FRANCE ACCEPTS U.S. PROPOSAL ON SPAIN

Washington, Feb. 28 -- A State Department spokesman today said the Department has been informed unofficially that the French Government has accepted in principle a proposal presented in a note from this Government to both the British and the French in regard to tripartite action in the Spanish situation. No word has yet been received from the British Government, the spokesman said.

He added that the Department has nothing it wants to communicate officially in regard to the Spanish situation, but he revealed that word has been received from Paris that the note was delivered to the French Government on February 26 and that French foreign minister Bidault seemed pleased with the American proposal as was also the French embassy in Washington.——USIS.

#### NO DECISION TAKEN BY U.S. ON STATUS OF RUHR

Washington, Feb. 28 -- A State Department spokesman today said that there is no foundation for the reports indicating that a decision has been taken by the American Government to allow Germans to return to the Ruhr. The spokesman added that there is no basis for the statement contained in a certain recent press report that the French proposal for international control of the Ruhr has been rejected. ---USIS.

#### PRESS SUPPORTS VANDENBERG'S DEMAND FOR PLAIN SPEAKING TO RUSSIA

Washington, Feb. 28 -- Early editorial comment on the speech delivered to the United States Senate yesterday by Senator Vandenberg expressed the opinion that the basic element in foreign affairs today is relations between the United States and Russia and that "plain speaking" is needed on both sides.

Today's Philadelphia Record said in part: "We agree thoroughly with the statement made by Senator Vandenberg on his return from the UNO London meetings. He said the United States and Russia can live in harmony 'if the United States speaks plainly on all occasions, as Russia does.'

"We agree, too, that 'we must assume moral leadership which we have frequently allowed to lapse.' But it will do no good for this country to speak plainly in public on our policies if somebody is, by stage whispers, making secret amendments to the policies. There was an excuse for the Big Three to make secret agreements at private conferences during the war. That excuse no longer exists."

Today's Baltimore <u>Sun</u> said in part: "Like most thoughtful people, Senator Vandenberg sees that the future peace of the world depends on the ability of the United States and Russia to find a way of living together. His speech yesterday was his affirmation of his belief that such a way can be found. His suggestion is that the United States voice its position by the same method of plain speaking which the Russians use to tell where they stand.

"The difficulty with plain speaking is finding just what to say. It is worthy of note that when we do know what to say, the Russians listen to us with a politeness which they do not always grant to Britain, or France or China. But Russia's expansionist activities all too often center around areas of the world, like Iran, about which we are uncertain in our own minds. The policy of our Government usually reflects the nation's ignorance and indifference.

The hope, therefore, that Senator Vandenberg will not stop with his speech of yesterday . . .

of yesterday. We hope he will follow up his demand for plain speaking to Russia with at least a suggestion as to what we ought to say if she breaks her pledged word and fails to withdraw her armies from Iran."

Today's New York <u>Herald Tribune</u> said in part: "Senator Vandenberg's report upon the first session of UNC amounts, in substance, to this: that machinery of a functioning world order was set up with magnificent success, but that practical operation of that machinery still turns upon the central issue of adjustment of relations between the United States and Soviet Russia...

"Senator Vandenberg's prescription is a friendly firmness... It is an admirable formula; it is also one very difficult for a quarrelsome democracy, when led by a bungling State Department, to apply. But it reaches accurately to the two vital centers of the issue of international peace -- first, that peace hangs on Soviet-American relations; second, that those relations can only be brought to a stable basis if the United States shows a strength, self-confidence and conviction equal to those displayed by the great Soviet empire."---USIS.

Excerpts from Senator Vandenberg's address to the U.S. Senate appear in a Special with this issue of the American Newsfile.

#### NEW PRESIDENTIAL ADVISER ON EXTERNAL GERMAN ASSETS

Washington, Feb. 28 -- The President has appointed Randolph Paul, former U.S. Treasury tax expert, as special assistant to the President "to conduct negotiations with various European neutrals on the subject of external German assets for the Department of State," the White House announced today. The appointment will be made effective as of February 28.

Paul served as general counsel of the Treasury and tax advisor to the Secretary of the Treasury from August 1942 to April 1944. After leaving the Treasury, he rejoined a New York law firm, from which he has since resigned. He had previously practised law in New York and New Jersey and had lectured on law at both Yale and Harvard universities.---USIS.



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#### AMERICAN FOOD AND MONEY TO THE RESCUE OF WAR-TORN COUNTRIES

Washington, Feb. 28 -- To assure fulfilment of America's food export commitments, President Truman earlier this month ordered the most drastic controls over the distribution and use of grains that have ever been imposed in the United States. Introducing restrictions more stringent than those of the war years, the President's program amounts to a mobilization of the entire population in a conservation campaign to set free food needed in Europe and Asia. The program is one of the most active expressions of America's desire to help restore var-rayaged countries and pave the way to peace conditions throughout the world by international cooperation.

Following disclosures by Herbert H. Lehman, director general of UNRRA, that a "dangerous and critical" grain shortage had followed Europe's worst drought in 50 years, President Truman called a meeting of his cabinet. Such important domestic issues as strikes, prices and wages were set aside, and the meeting was devoted exclusively to the needs of other lands. Twenty-four hours later, the President, in announcing his program, called for the "cooperation of every man, woman, and child, the food trades and industries (and) the transportation industry" to make this program of international cooperation effective. The steps taken are expected to affect many phases of American life.

### Measures to Save 50 Million Bushels of Wheat for Export

Government agencies will immediately launch a campaign of food conservation, especially of bread. The use of wheat for alcohol and beer is to be discontinued immediately, the use of other grains limited, beginning March 1. The wheat flour extraction rate will be raised from the present average of 72 per cent to 80 per cent, as compared to 85 per cent in wartime Britain. For the direction of the emergency in Europe and Asia, America's traditional white bread will be replaced by a darker and coarser bread Limitation of civilian flour distribution to essential current needs, control of grain and flour stocks in mills and bakeries, together with the conservation program, are estimated to yield 50 million bushels of wheat in the first half of 1946.

The United States is already committed to ship 225,000 bushels of wheat to foreign countries by June 30. January estimates revealed, however, that only 175,000 bushels could be exported unless drastic measures were adopted. The Agriculture Department is reported to be considering even stronger methods, such as government seizure of all wheat transac-

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tions....

tions, should the present plan not cover the deficit of 50 million bushels.

The Agriculture Department has also been ordered to develop means of conserving feed grains for human consumption, such as rapid marketing of hogs and cattle. These measures in the long run are likely to affect the food situation in America even more than the wheat program, and some experts think meat rationing might return by fall.

A revival of rationing is not proposed in the present plan, but President Truman explicitly requested retailers and other distributors to ration informally, that is by means of their own, such commodities as will be scarce in the coming months, particularly flour, breakfast cereals, bakery products, corn, and already scarce fats and oils.

Another drastic measure is the direct control to be exerted by the Department of Agriculture over all wheat and flour exports. To speed shipments, essential foods will have priority on the railroads, and all refrigerator ships not needed for the armed forces will be put in the service to Europe.

In his message President Truman declared: "I am sure that the American people are in favor of carrying their burden." The people's active understanding of the requirements of international cooperation was demonstrated in a recent poll in Washington, D.C. Of thousands of inhabitants questioned, 68 per cent were willing to submit to food rationing in order to help feed Europe and Asia.

#### Loans to War-torn Countries

In the financial field the extent of American aid to foreign countries was indicated in a report of the Commerce Department. The United States Government had 1,141 million dollars outstanding in loans, advances and financial aid to foreign governments by September 30, 1945. Additional loans have been arranged since that date but not yet approved, such as the loan to Britain of 3,750 million dollars. Still other loans, signed since that date by the Export-Import Bank of Washington on behalf of the U.S. Government, are already in operation.

Nearly all of these loans were given for the specific purpose of restoring the productive capacities, transportation, and export potentials of war-torn countries, and thus to hasten the reestablishment of world trade. In addition a 20-million-dollar loan was extended to Mexico for an extensive electrification program, and another loan of 28 million dollars for the construction of a steel plant in Chile.

The loans to European countries include such credits as the one of 550 million dollars to France, to cover needed lend-lease shipments approved but not procured before V-J Day; 55 million dollars for the same purpose to Belgium, and another 45 million dollars to restore Belgian industrial production and particularly export capacity; 5 million dollars to finance the export of about 46,000 bales of cotton to Finland, the first such credit extended from a fund of 100 million dollars; and the 25-million-dollar credit for Greece, for the purchase of American equipment and materials needed to restore Greece's own agriculture, industrial facilities, power system and transportation.

The loan to Greece, the president of the Export-Import Bank explained, conforms with the policy to speed the reconstruction of war-ravaged areas pending the beginning of operations by the International Bank for Reconstruction and Development.

A further step towards making operational the International Bank and the International Monetary Fund, established in the Bretton Woods Agreements, was undertaken recently by the Senate Banking Committee, which recommended confirmation of U.S. Secretary of the Treasury Fred M. Vinson as U.S. Governor in both institutions, with Assistant Secretary of State William L. Clayton alternate to Secretary Vinson.

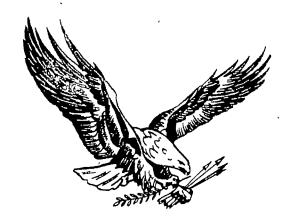
#### Foreign Loans Will Tell On U.S. Economy.

Like the food program, foreign loans are bound to reflect upon America's domestic economy. The loans, in the opinion of the president of the American Bankers' Association, should be given to the amount necessary for the economic recovery of the borrower, but they are in his opinion likely to "further intensify the present shortages of goods" in the United States, and thus the inflationary pressure.

This pressure of pent-up purchasing power was revealed in a report of the Commerce Department stating that wholesalers sales, measured by dollar volume, reached a new high in 1945 and exceeded by three per cent the previous record established in 1944. Preliminary estimates put the total sales of merchant wholesalers in all trades at nearly 43,000 million dollars for 1945. December sales set a new high for the month, exceeding the December 1944 figure by 13 per cent.

. Maintenance of price ceilings on cost-of-living items for another year or "until supply and demand are in balance" was urged in a resolution unanimously adopted by the National American Wholesale Grocers' Association at its annual convention. Although asking removal of controls at the earliest possible date, the group asserted that under present conditions price ceilings are necessary to avoid inflation.

According to the Commerce Department, United States exports in the first nine months of 1945 dropped to 7,976 million dollars which is 3,017 million dollars, or 27 per cent, less than the same period in 1944. Increased United States imports from the British Empire reflected expanded shipments from Empire areas in Asia and Africa. The December value of United States exports rose to 736 million dollars, a gain of 15 per cent over the November level of 639 million dollars. Imports declined to 301 million dollars, seven per cent below the November value of 322 million dollars.——USIS.



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#### BYRNES SAYS UNITED NATIONS MUST LIVE BY CHARTER

New York, March 1 -- Addressing the Overseas Bress Club here last night, Secretary of State James F. Byrnes declared that to maintain peace the United Nations must live by the United Nations Charter and must not allow situations to develop into incidents from which there is no retreat.

Following is the text of the address by Byrnes:

We are beginning to realize that the war is over. It is good to have sons, husbands and fathers home again. It is good to open a newspaper without the fear of finding in the casualty lists the name of one near and dear to us. But this is not wholly a time of celebration and rejoicing. As families in their homes, on the farms and in the cities settle back from the dinner table to hear the boys tell of Normandy and Iwo Jima, there is an unspoken question in every mind. The question is what we can do to make certain that there will never be another war.

During the war our goal was clear. Our goal was victory. The problems of industrial and military mobilization, it is true, were problems of the first magnitude. Production bottlenecks often seemed unbreakable, transportation difficulties and manpower shortages insurmountable. On the fighting front, combined land, sea and air operations were heartbreaking in complexity.

These were hard tasks. Yet we were able to apply a yardstick to each proposal by asking a simple question: "Will it help to win the war?" The common goal of victory served to unite us and to give purpose and direction to our efforts.

Now that we have come into calmer waters, our relief and gratitude are mixed with uncertainty. Our goal now is permanent peace, and surely we seek it even more anxiously than we sought victory. The difficulty is that the path to permanent peace is not so easy to see and to follow as was the path to vietory. When an issue is presented, we ask: "Will it help to win the peace?" When the answer is slow to come or does not come at all, we grow uneasy and apprehensive. While we may be in doubt about many things, there are certain basic propositions on which we are clear.

One is that a just and lasting peace is not the inevitable result of victory. Rather, victory has given us the opportunity to build such a peace. And our lives depend upon whether we make the most of this opportunity.

Another

Another thing of which we are certain is that we Americans alone cannot determine whether the world will live in peace or perish in war. Peace depends quite as much upon others as it does upon us. No nation is the complete master of its fate. We are all bound together for better or for worse.

#### Active Participation In United Nations

Because we know this, we have pinned our hopes to the banner of the United Nations. And we are not content simply to take our place in that organization. We realize that although the dreams of the world are lodged in it, the United Nations will fail unless its members give it life by their confidence and by their determination to make it work in concrete cases and in everyday affairs.

And so I wish to talk to you about the first meetings of the United Nations. What has been said in these meetings has been said as plainly and bluntly as anything I have heard said by responsible statesmen in any private conference.

These first meetings were intended only to establish the various organs of the United Nations. But so pressing were some of the problems presented to the Security Council that they had to be dealt with before there was a chance for the Council to adopt even the provisional rules of procedure.

All was not calm and peaceful at the meetings in London. There was an effort to use the United Nations to advance selfish national aims. But the clash of national interests and purposes which were reflected in the debates in London was very much like the clash of local and special interests which are reflected in our national and state legislatures. We may deprecate some of these clashes of interest. But when they exist, it is better that they should be publicly revealed. If these conflicts of interest did not appear in the forums of the United Nations, these forums would be detached from reality and in the long run turn out to be purposeless and futile.

A most significant precedent was established when the Security Council finished its discussions of the complaint of the Syrian and Lebanese governments requesting withdrawal of the French and British troops from their territories. The Council did not take formal action because of a difference among the permanent members as to the form of the resolution. But no one questioned the general proposition that no state has the right to maintain its troops on the territory of another independent state without its consent, nor the application of this proposition to the pending case.

The particular form of the resolution to this general effect, which was presented by the United States representative, Mr. Stettinius, was supported by most of the members of the Council. It failed of acceptance, however, because the Soviet Union vetoed it on the ground that it was not definite enough. But the British and French governments immediately announced that, notwithstanding the technical veto of the Soviet Union, they would act in accordance with the American resolution as it clearly represented the views of the Council.

This indicates that the mere legal veto by one of the permanent members of the Council does not in fact relieve any state, large or small, of its moral obligation to act in accordance with the purposes and principles of the Charter.

#### Peoples' Responsibility To Make The Charter Work

The United Nations got off to a good start. However, that does not mean it is an assured success. It simply means that the Charter will work if the peoples

of the United Nations are determined to make it work. At times our Congress may make serious errors of omission and commission. Such errors are not the fault of the Congress as an institution. They are the fault of its members or of their constituents, who fail to measure up to their responsibilities. So it is with the United Nations. It will succeed only as we, the peoples of the United Nations, measure up to our responsibilities.

I should be lacking in candor if I said to you that world conditions today are sound or reassuring. All around us there is suspicion and distrust, which in turn breeds more suspicion and distrust. Some of the suspicions are unfounded and unreasonable. Of some others that cannot be said. That requires frank discussion between the great powers of the things that give rise to suspicion. At the Moscow Conference there was such frank discussion. It was helpful, but the basis of some suspicions persists and prompts me to make some comments as to our position.

We have joined with our allies in the United Nations to put an end to war. We have covenanted not to use force except in the defense of law as embodied in the purposes and principles of the Charter. We intend to live up to that covenant. But as a great power and as a permanent member of the Security Council we have a responsibility to use our influence to see that other powers live up to their covenant. And that responsibility we also intend to meet.

Unless the great powers are prepared to act in the defense of law, the United Nations cannot prevent war. We must make it clear in advance that we do intend to act to prevent aggression, making it clear at the same time that we will not use force for any other purpose.

#### Special Responsibilities of Great Powers

The great powers are given special responsibilities because they have the strength to maintain peace, if they have the will to maintain peace. Their strength in relation to one another is such that no one of them can safely break the peace if the others stand united in defense of the Charter.

The present power relationships of the great states preclude the domination of the world by any one of them. Those power relationships cannot be substantially altered by the unilateral action of any one great state without profoundly disturbing the whole structure of the United Nations. Therefore, if we are going to do our part to maintain peace in the world, we must maintain our power to do so, and we must make it clear that we will stand united with other great states in defense of the Charter. If we are to be a great power we must act as a great power, not only in order to ensure our own security but in order to preserve the peace of the world.

Much as we desire general disarmament and much as we are prepared to participate in a general reduction of armaments, we cannot be faithful to our obligations to ourselves and to the world if we alone disarm. While it is not in accord with our traditions to maintain a large professional standing army, we must be able and ready to provide the armed contingents that may be required on short notice. We must also have a trained citizenry able and ready to supplement those armed contingents without unnecessarily prolonged training.

That is why in the interest of peace we cannot allow our military establishment to be reduced below the point required to maintain a position commensurate with our responsibilities, and that is why we must have some form of universal military training.

Our power....

Our power thus maintained cannot and will not be used for aggressive purposes. Our tradition as a peace-loving, law-abiding, democratic people should be an assurance that our force will not be used except in the defense of law. Our armed forces, except as they may be called into action by the Security Council, cannot be employed in war without the consent of the Congress. We need not fear their misuse unless we distrust the representatives of the people.

I am convinced that there is no reason for war between any of the great powers. Their present power relationships and interests are such that none need or should feel insecure in relation to the others as long as each faithfully observes the purposes and principles of the Charter.

It is not enough for nations to declare that they do not want to make war. Hitler said that. In a sense he meant it. He wanted the world to accept the domination of a totalitarian government under his direction. He wanted that without war if possible. He was determined to get it with war if necessary.

To banish war, nations must refrain from doing the things that lead to war.

#### Right Of People To Shape Their Destiny Recognized

It has never been the policy of the United States in its international affairs or in its foreign relations to regard the status quo as sacrosanct. The essence of our democracy is our bolief in life and growth and in the right of the people to shape and mould their own destiny. It is not in our tradition to defend the dead-hand of reaction or the tyranny of privilege. We did not fight against the Nazis and fascists who turned back the clock of civilization in order that we might stop the clock of progress.

Our diplomacy must not be negative and inert. It must be capable of adjustment and development in response to constantly changing circumstances. It must be marked by creative ideas, constructive proposals, and practical and forward-looking suggestions. Though the status quo is not sacred and unchangeable, we cannot overlook any unilateral gnawing away at the status quo. The Charter forbids aggression and we cannot allow aggression to be accomplished by coercion or pressure or by subterfuges such as political infiltration.

Whon adjustments between states, large or small, are called for, we will frankly and fairly consider those adjustments on their merits and in the light of the common interests of all states, large and small, to maintain peace and security in a world based on the unity of all great powers and dominance of none.

There are undoubtedly vitally important adjustments which will require our consideration. Some of those situations are delicate to deal with. I am convinced, however, that satisfactory solutions can be found if there is a stop to this maneuvering for strategic advantage all over the world, and to the use of one adjustment as an entering wedge for further and undisclosed penetrations of power.

We must face the flot that to preserve the United Nations we cannot be indifferent -- veto or no veto -- to serious controversies between any of the great powers, because such centroversies could affect the whole power relationship between all of the great powers.

#### U.S. For Friendly Relations With All Powers

The United States wish to maintain friendly relations with all nations and exclusive arrangements with no nation. Naturally there are some problems which

concern some nations much more than other nations. That is true in regard to many problems related to inter-American affairs. That is true in regard to the control of Germany and Japan.

In our relations with the other great powers there are many problems which concern two or three of us much more than the others of us. I see no objection to conferences between the Big Three, or Big Four, or Big Five. Even conferences between ourselves and the Soviet Union alone, conferences between ourselves and Britain alone, or conferences between ourselves and France or China alone, can all help to further the general accord among the great powers and peace with the smaller powers. But in such conferences, so far as the United States is concerned, we will gang up against no state. We will do nothing to break the world into exclusive blocs or spheres of influence. In this atomic age we will not seek to divide a world which is one and indivisible.

#### No Cause For Conflict With Russia

We have openly, gladly and wholeheartedly welcomed our Soviet ally as a great power, second to mone, in the family of the United Nations. We have approved many adjustments in her favor, and in the process resolved many serious doubts in her favor. Only an inexcusable tragedy of errors could cause a serious conflict between us in future. Despite the differences in our way of life, our people admire and respect our allies and wish to continue to be friends and partners in a world of expanding freedom and rising standards of living.

But in the interest of world peace and in the interest of our common traditional friendship, we must make plain that the United States intends to defend the Charter. Great powers as well as small powers have agreed under the United Nations Charter not to use force or the threat of force except in the defense of law and the purposes and principles of the Charter.

We will not -- and we cannot -- stand aloof if force or the threat of force is used contrary to the purposes and principles of the Charter.

#### Presence of Foreign Troops Illegal

We have no right to hold our troops in territories of other sovereign states without their approval and consent, freely given. We must not unduly prolong the making of the peace and continue to impose our troops upon small and impoverished states.

No power has a right to help itself to alleged enemy properties in liberated or ex-satellite countries before a reparation settlement has been agreed upon by the Allies. We have not agreed, and will not agree, to any one power deciding for itself what it will take from these countries.

We must not conduct a war of nerves to achieve strategic ends. We do not want to stumble and stagger into situations where no power intends war, but no power will be able to avert war. We must not regard the drawing of attention to situations which might endanger the peace as an affront to the nation or nations responsible for those situations.

It is quite possible that any nation may in good faith embark on a course of conduct without fully appreciating the effects of its conduct. We must all be willing to review our actions to preserve our common interests in the peace,

which are so much more important to all of us than the differences which night divide us.

#### Legacy of War Must be Liquidated

We must get back to conditions of peace. We must liquidate the terrible legacy which the war has left us. We must return our armies to their homelands. We must eliminate the breeding grounds of suspicion. We must not deceive ourselves or mislead our allies. To avoid trouble we must not allow situations to develop into incidents from which there is no retreat. The must live by the Charter. That is the only road to peace.

To live by the Charter requires good will and understanding on the part of all of us. We who had patience and gave confidence to one another in the most trying days of the war must have patience and give confidence to one another now. No nation has a monopoly of **virtue** or of visdom, and no nation has a right to act as if it had. Friendly nations should act as friendly nations.

Loose talk of the inevitability of var casts doubts on our own loyalty to the Charter and jeopardizes our most cherished freedoms both at home and abroad.

There are ideological differences in the world. There always have been, but in this world there is room for many people with varying views and many governments with varying systems. None of us can foresee the far distant future and the ultimate shape of things to come. But we are bound together as part of a common civilization.

As we clear the wreckage of the war, we must realize that the urgent tasks of reconstruction, the challenging tasks of creating higher standards of living for our people, should absorb all our constructive energies. Great states and small states must work together to build a friendlier and happier world. If we fail to work together there can be no peace, no comfort and little hope for any of us.---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

#### VANDENBURG REPORTS ON FIRST SESSION OF UNO

Washington, Feb. 28 -- Arthur H. Vandenberg, Republican Senator from Michigan, who recently returned from London where he acted as an American delegate in the first General Assembly of the United Nations Organization, drew a vivid picture of the successes and shortcomings of the session which concluded on February 16,1946, in a speech delivered to the United States Senate yesterday.

To those who were impatient with the results at London he pointed out that, in the light of man's dismal failures of 1,900 years to secure lasting peace, UNO is "entitled to at least a few months of grace." Though the world was faced with the prospect of two rival ideologies -- democracy and communism -- he asserted that with mutual understanding, honesty and frankness the United States and Russia can find common ground upon which to build a lasting peace.

Following are excerpts from Varidenberg's speech:

I say frankly, at the outset, that I return from London with mixed emotions. I return with no illusions that automatic peace awaits the world just because the machinery of the United Nations is now in gear. But I return also with an over-riding conviction, even more emphatic than before, that the world's only hope of organizing peace and security is inseverably linked with the evolution and destiny of this United Nations enterprise. I return in the convinced belief that the more complex or ominous the world's international relations may become, in that same degree the greater becomes the critical need that the peace-loving peoples of the earth should strive to make this enterprise succeed. I return in the belief that it can succeed, unless Russia, Great Britain and the United States individually or collectively make it impossible.

I can share your disappointments over some phases of the London record. I can share your anxieties over some of its disturbing trends. I can share your desires that the San Francisco Charter should be improved in certain aspects. I intend to speak frankly about some of these things. But I cannot -- and I do not -- share the melancholy pessimism, heard in some quarters, that the United Nations as a result of this experience, will be unable to cope with world realities as disclosed in current history. It would be silly to ignore the hazards. It would be sillier to ignore vindicated hopes. The amazing thing at London is not that there were areas of disagreement, but that the areas of agreement were so vast and so significant.

### United Nations, Must Succeed

In my opinion, I repeat -- because it is so dreadfully important -- that the United Nations must be made to succeed if we are to avoid unspeakable catastrophe in this atomic age when a decisive war may be waged in minutes instead of years

and when the first casualty list may be the last. To those who are already earnestly suggesting substitutes, I prayerfully suggest that if the UNO compact, as a starter, cannot command the agreement and cooperation essential to success, then any more ambitious program would die of pernicious, international anemia.

This charter clearly has its imperfections. We must be constantly alert to the opportunities for its improvement. It is helpful that earnest friends of peace should press these discussions. But it seems clear to me that we must first learn to live with what we have. It seems clear to me that our challenge is to make the United Nations work. It is particularly a challenge to the so-called five great powers. More particularly it is a challenge to the three of them. Still more particularly, it is an individual challenge to the Union of Soviet Socialist Republics and to our own United States, as I shall presently undertake to demonstrate.

#### Organizational Structure Completed

Let us look at London. In 37 days the United Nations turned a blue-print into a going concern. It turned an ideal into a reality. On January 10,1946, we had only a pious dream. On February 16, 1946, we had organized, in working detail, the complete machinery for the General Assembly, for the Security Council, for the Court of International Justice, for the Social and Economic Council, and for the functioning of every instrument of peace which this Senate envisioned when it underwrote this dream last July with but two dissenting votes.

There was sharp controversy and competition in some of these organizational decisions, but all of them were accepted in good spirit by all concerned. There was not a suspicion of insincerity or sabotage. In other words, the original purpose — and what was intended to be the exclusive purpose — of this first General Assembly was carried out with complete comity and with significant success, There was healthy rivalry. But there was equally healthy agreement.

All this involved great labor and composition of many different points of view. For example, I was chairman of the subcommittee which dealt with administration and with budgets. Starting from zero we had to create a framework for a tremendous institution. Fifty-one nations, spanning the gamut of race, color, language and tradition, had to concur. They did -- with ultimate unanimity. I venture to ask, with great respect, how long, and with what travail, it would have taken Congress to complete a comparable task?

#### Achievements Of The First Session

Let us remember some other things about this first General Assembly. Let us remember that it initiated joint studies which should lead to international control of atomic energy. This is the way to save civilization from the use of atomic energy as a lethal curse to mankind.

Let us remember that this General Assembly -- this Town Meeting of the world -- sounded the reveille against the famine which threatens countless peoples with pitiful extermination. Of course, the call to service is not itself alone enough. Action must follow words. But it is heartening to find the world thus equipped with a new and powerful weapon with which to attack the social and economic, as well as political, ails of the human family everywhere.

Let us remember that this General Assembly -- this vocal conscience of the earth -- unanimously offered new hope to dependent peoples everywhere through the

expression of our mutual purpose to encourage their self-government.

Let us remember that it pledged itself to encourage a world-wide free press through instrumentalities to be created at its next session in September. Black-outs and iron curtains are not the insignia of liberty nor the trade-marks of peace.

Let us remember that this General Assembly encouraged the hopes of war refugees — the pathetic derelicts of the recent conflict — by refusing, on decisive roll call, to sanction their involuntary repatriation.

Let us remember that this General Assembly has now put itself in full position to proceed hereafter to implement the dynamic Article XIV of the Charter. This means that it can recommend peaceful adjustment of any situation, regardless of origin, which it deems likely to impair the general welfare or to infringe upon the equal rights and self-determination of peoples.

#### Problems Faced By Security Council

Ah, yes, you say, but how about the Security Council? First, let us remember that the Security Council was put to an unexpected test just six days after it came into being -- before it had any of the Charter instruments intended for its use -- before it even had any rules for its own procedure. I respectfully submit, to those who are impatient with the London story, that we are entitled to at least a few months of grace in the winning of a lasting peace. Even if it took as long as the winning of the war, still it would be a miracle -- in the light of man's dismal failures of 1,900 years to follow in the foot-steps of the Prince of Peace.

The truth is that the brief preliminary record made by the Security Council is, under the circumstances, much more notable for what it did than for what it did not do. Four controversies -- each involving the presence of foreign troops in lands other than their own -- were submitted to the Security Council. In each instance, after full hearings, the controversies were left, on conciliatory American initiative, to further negotiations between the nations in direct concern. But that qualifying phrase -- "after full hearing" -- is of paramount importance.

Mind you these were the raw materials out of which wars have sprung in other days. But here the contestants were not meeting on the battle field. They were meeting at the council table -- in the white light of full publicity -- in the presence of their peers -- under the searching eyes of a watching world -- and under the impulse of a solemn pledge to keep the peace.

To be sure, the ultimate disposition of each case, after full hearing, was a reversion to direct negotiation between the parties involved, instead of some affirmative act of penalty or of enforced restraint. This may have been a disappointment to some of our more impatient direct-actionists who would like a god of peace as militant and as relentless as the god of war.

#### Use Of Force Only The Last Resort

But I remind you that **the Uni**ted Nations Charter does not contemplate the techniques of the meat-axe. It is not built to hasten sanctions and the use of force. It is built to prevent, if possible, the use of sanctions and force. It is built to stop war, not to make it. It requires exhaustion of all the possibilities of direct negotiation, and of enquiry, and of mediation, and of conciliation

and of . . .

and of arbitration, and of judicial settlement before we turn to grimmer disciplines.

And this is desperately important. I venture to assert that the reneval of direct negotiations in the instant cases, after these full hearings, is calculated to be quite a different thing than it was before. Now these negotiations will proceed in the presence of the necessity for an ultimate accounting not only to the Security Council but also to the critical opinions of mankind. Now the record, be it good or ill, defies distortion in the future conduct of these events. In most instances, I dare to believe, there will be adequate results.

#### Russian Enigma

In every newspaper I read: "What is Russia up to now?" It is, of course, the supreme conundrum of our time. We ask it in Manchuria; we ask it in eastern Europe and the Dardanelles; we ask it in Italy where Russia, speaking for Yugos-lavia, has already initiated attention to the Polish legions; we ask it in Iran; we ask it in Tripolitania; we ask it in the Baltic and Balkans; we ask it in Poland; we ask it in the capital of Canada; we ask it in Japan; we ask it sometimes even in connection with events in our own United States: "What is Russia up to now?"

It is little wonder that we asked it at London. It is less wonder that the answer — at London and everywhere else — has a vital bearing on the destiny of the United Nations. It would be entirely futile to blink the fact that the two great rival ideologies — democracy in the west and communism in the east — here find themselves face to face with a desperate need for mutual understanding in finding a common ground upon which to strive for peace for both.

In the final analysis this means that the two greatest spokesmen for these rival ideologies -- Soviet Russia and the United States -- find themselves face to face with this same need for mutual understanding, both in and out of the United Nations. Indeed, if this does not oversimplify the problem, it might even be said that the future of the United Nations is wrapped up in this equation.

If this be so, I assert my own belief that we can live together in reasonable harmony if the United States speaks as plainly upon all occasions as Russia does; if the United States just as vigorously sustains its own purposes and its ideals upon all occasions as Russia does; if we abandon the miserable fiction, often encouraged by our own fellow-travellers, that we will somehow jeopardize peace if our candor is as firm as Russia's always is; and if we assume a moral leadership which we have too frequently allowed to lapse. The situation calls for patience and good will, but not for vacillation.

Let me make it wholly clear that I do not complain because Russia speaks -indeed Mr. Vishinsky probably spoke in the Security Council more than the spokesmen of all other powers combined. I am glad she speaks. She ought to speak.
That is what this forum is for.

#### Need For Plain Speaking

But it is for others too — just as Mr. Bevin used it upon more than one elequent and courageous occasion. It is, I repeat, for others too. All should feel an equal freedom and an equal duty and an equivalent responsibility. The governments of the world suddenly find themselves in the presence of a new technique in international relations. It is in this forum of the United Nations where

the most dominant of all the debates and decisions are now calculated to occur.

It would be impossible to re-emphasize the importance of our own role and our own performance in such epochal events, and the need for positive foreign policies as our consistent guide.

If what still bothers Russia is really a security fear against resurgent aggression, I would renew my offer of one year ago for a direct treaty of mutual defense, under the United Nations, in the event that an aggressor axis ever rises again.

Our new American ambassador designate to Moscow, Lieutenant General Walter Bedell Smith, speaking in New York last week at a celebration in honor of the great Red Army, which Marshal Stalin certifies will be kept at a progressive peak, said that "America and the USSR, given honesty and frankness on both sides, can get along together in the future just as well as they have for almost 150: years, in spite of the fact that our governments and our economic systems have been quite different." Again I associate myself with that sentiment. But honesty and frankness must be mutual. Sometimes it is a useful, albeit painful, thing to search our own souls in critical hours like these.

This sort of analysis does not detract for an instant from the notably loyal and richly helpful record which the United States has made to the foundations of the United Nations. I have been privileged to be so placed that I could see these great works of ours at first hand. We have a right to be eternally proud of America's part in launching this new argosy of peace upon the seas of time.

#### Need For Caution

The startling fact at London -- I cannot repeat too often -- is not that it sometimes trembled in the gale but rather that it so staunchly weathered all the storms. But we would be dubious mariners if we did not look back upon this pioneering journey to assess the dangers that developed and to put up warning signals for the journeys yet to come. Therefore, in addition to what I have already said, I must add two further admonitions.

I confess that in this first meeting of the United Nations I missed the uplifting and sustaining zeals for a great crusading moral cause which seemed to imbue the earlier charter sessions at San Francisco. Perhaps it was because the agenda was so largely confined to the humdrum routine of organizational details; perhaps it was the burden of anxiety over misgivings that are inevitable in launching a peace project which nover yet has succeeded in the history of civilization; or, on the other hand, perhaps it was the accumulated tiredness which dampens ardo: and easily surrenders to the expedient notion that "all's well," Perhaps it was because in the aftermath of the war we confront too many grim realities that are utterly at odds with the precepts of justice which we presume to defend.

In any event, and whatever the cause, we are on notice that the peoples of the earth must never cease to evangelize this struggle for peace if it shall reach full flower.

#### Power Politics Won't Help

Again, I sensed at London what seemed to be too great a tendency to relapse into power politics, in greater or loss degree, and, as someone has said, to use the United Nations as a self-serving tribune rather than as a tribunal. It will require constant, . . .

require constant, consistent, courageous guidance to keep the United Nations vithin the main channel of its obligations -- and here again is a clear call to America always to act in its traditional character for liberty and justice.

The United States has no ulterior designs against any of its neighbors anywhere on earth. We can speak with extraordinary power inherent in this unselfishness. We need but one rule: What is right, where is justice, there let America take her stand.---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, — that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of Abrams v United States.

March 4, 1946

#### U.S. FAMINE EMERGENCY COMMITTEE APPEALS FOR VOLUNTARY FOOD CONSERVATION

Washington, March 1 -- President Truman, former President Herbert Hoover, twelve nationally known civic and professional leaders, Secretary of Commerce Henry Wallace, Secretary of Agriculture Clinton P. Anderson and others met this afternoon in the White House to initiate a nation-wide voluntary food conservation program to channel more food to war-devastated populations. Following is the text of the release issued by Secretary of Agriculture Anderson after the conference:

"The Famine Emergency Committee mot today at the call of the President in the White House. The Secretary of Agriculture, Secretary of Commerce, Assistant Secretary of State W.L. Clayton and director general Lehman of UNRRA presented to the group the tragic food conditions that prevail in many of the foreign countries.

"In part they are the consequences of the war; in part they are the results of unprecedented droughts in many food producing areas. The facts as presented showed deficiencies . . .

showed deficiencies in food supplies that threaten death by starvation to untold millions in other lands. The facts show this country to be the principal hope for salvation. The facts also show an increase in food consumption in this country of substantial proportions above the prewar years.

"It was the unanimous and strong feeling that our people, knowing the facts, will want to stop all wastage of foods and to deny themselves a substantial proportion of their daily consumption of certain foods, so that millions may survive who are otherwise doomed to death by starvation.

"Americans of good will can do more and do it faster than any system of government rationing orders. Speed is vital. It was agreed that the greatest good could be done by saving wheat and wheat products and food oils and fats. The figures given the committee by the Government indicate that a reduction of 25 per cent in the present consumption of wheat and wheat products is needed. The committee therefore urges that, beginning now, our people reduce their consumption of bread and wheat products. Conservation of food oils and fats now going on should be increased in every possible way.

"The committee appeals for cooperation in this program to every individual American, to every American home and to every one of the many organizations in which are enrolled the men and women of America.

"This group accepted the invitation of Secretary of Agriculture Anderson to organize itself into a continuing committee to aid him in formulating a detailed program through which the American public, by voluntary cooperation, can meet this crisis and agreed that the committee shall be enlarged to give broader public representation. Ex-President Herbert Hoover has accepted the position of honorary chairman. Chester Davis of St. Louis will serve as chairman of the organizing committee."

The conference was called by the President, who in a telegram to the participants declared: "Our national self-respect and our duties as human beings demand that ...

demand that we do all possible to stop the spread of famine."

The remarks by President Truman, Hoover and others at the first conference meeting were released by the White House late today. President Truman said:

"I appreciate very much your being here today. We are in a very serious condition, so far as world food consumption is concerned. I sincerely believe that, with your advise and your help, we will be able to work this program out, so that peoples who are now on the verge of starvation may live through the next year.

"It is the most important meeting I think we have held in the White House since I have been President."

#### Next Four Months Critical

Hoover said: "The inevitable aftermath of the war is famine, and with famine civilization itself is jeopardized. The last great reservoir from which starvation can be halted is in the United States. There is thrust upon us one of the greatest obligations of these troubled years. It is my belief that the American people will respond again, as they did after the last war. And we cannot fail."

At a press conference late today after attending the food conference and after visiting the President this morning, Hoover said that the critical period in food shortage throughout most of the world would be for the next four months, until the next crops have been harvested. He said that it was necessary to make up the deficiency between the present world wheat supplies of about 15 million tons and a minimum of 20 million tons considered necessary for world consumption.

The former President, who led the program for food conservation during the last world war, said there were not many more people facing hunger now than after the last war, but that longer participation in World War II had left much smaller surpluses available in the United States than after the last war.

Calling upon the American people to help save 500 million persons from hunger throughout

hunger throughout the world, Hoover said: "This four months' emergency is an emergency to provide simply wheat and fats. By making a very considerable sacrifice in these two commodities we can carry this situation over. It is not too much to ask of the American people."

#### Government Measures To Expedite Exports

Meanwhile, Government departments and agencies have taken steps to implement the President's program to meet the critical food needs abroad. The Agriculture Department today issued an order requiring federally-inspected meat packers in 37 states to increase the set-aside of pork from ten to 13 per cent. Current set-aside percentages on beef, veal and mutton were extended to ten states formerly exempted, effective March 3. Department officials said that the order was made to facilitate the procurement of quantities of meat necessary for fulfilling allocations for foreign shipment during the remainder of the first half of 1946.

The Inter-State Commerce Commission, at the request of the Office of Defense Transportation and the Agriculture Department, issued an order today giving top priority to orders for empty freight cars to be leaded at country elevators with grain for terminal markets. This order further implements the previous ICC order giving priority to grain shipments to ports for relief purposes abroad.

Agriculture Secretary Anderson said yesterday that shortage of freight cars was a major difficulty in meeting American efforts to ship wheat abroad. Breaking of railroad transportation bottlenecks from the interior of the United States to seaports has been receiving the special attention of the special Inter-Departmental Committee on Transportation ever since early January when the food crisis became apparent.

Restrictions on the use of wheat for non-food items have been invoked by the Agriculture Department in order to make more wheat available for export overseas. The latest order in this category prohibits browers from using wheat in brewing malt beverages, including beer, effective midnight, Feb. 28. The

order also restricts the use of all other grain to 70 per cent of the amount used by the brewing industry last year.

In compliance with the President's appeal for voluntary conservation of food, the War Department announced that the Army Quartermaster Corps is taking every possible precaution to reduce food waste to the absolute minimum in its vast feeding operations, to enable more food to be sent abroad. A recent Quartermaster Corps survey showed that Army messes alone can recover 20 million pounds of cooking fats in one year.——USIS.

#### FLC TO HAVE TWO COMMISSIONERS IN LATIN AMERICA

Washington, March 2 -- Brigadier General Lehman W. Miller, United States Army, retired, a former military attache in Brazil, has been appointed field commissioner for the eastern Latin American division of the office of the Foreign Liquidation Commissioner, with headquarters in Rio de Janeiro. The appointment was announced by commissioner Thomas B. McCabe. The eastern division includes Brazil, Argentina, Uruguay and Paraguay.

McCabe also announced that Philip Kidd, commissioner for all Latin America, will have his headquarters in Panama. The pressure of work makes necessary the use of two commissioners, McCabe said.---USIS.

#### U.S. READY TO OPEN NEGOTIATIONS FOR 1,000-MILLION-DOLLAR LOAN TO RUSSIA

Washington, March 2 -- A State Department spokesman yesterday disclosed that the Soviet Government had requested a loan of 1,000 million dollars from the United States in August 1945. The request was presented to Leo Crowley, Foreign Economic Administrator, by General Rudenko, head of the Soviet Purchasing Mission in the United States.

FEA has since been absorbed by the State Department. The U.S. Government informed the Soviet Government last week, the spokesman said, that they are ready for an overall negotiation, and are willing to open loan discussions at once. No reply has been received yet.---USIS.

#### U.S. PRESS HAILS HOOVER'S CHAIRMANSHIP OF FOOD CONSERVATION PROGRAM

Washington, March 3 -- United States newspaper editorial comment on President Truman's voluntary food conservation program in general makes two main points, that the selection of former President Herbert Hoover as honorary chairman of this new national campaign is an excellent one, and, second, that it is a part of the peace-keeping responsibility of the United States to help feed hungry peoples of war-devastated countries.

The San Francisco Chronicle said about Hoover that no man on earth is better informed on, or has had more experience with, husbanding of food supplies and their management on an international scale. It added: "Hoover is the overall, the global expert."

The New York <u>Herald Tribune</u> said that Hoover was the "moving spirit of World War One's extraordinarily effective food-conservation efforts," and added that his participation in the present campaign "is an encouraging indication that this voluntary program, instituted as the world's food situation assumes crisis proportions, will be organized with the same thoroughness, the same fervor, and the same broad conception of what is required as was that earlier effort."

The <u>Tribune</u> added: "The American people will not be slow to respond on humanitarian. grounds alone to a well-organized program such as can be expected.... Nor will they be slow to grasp the importance to the peace of the world of a drive to stop the spread of famine."

A New York <u>Times</u> editorial said: "There is actually no question as to whethe: the Government or private citizens should carry the whole burden. What Government can do, it should do. What private citizens can do, they should do. The voluntary principle should not be stressed at the expense of such public controls as may be necessary. It should supplement them....

"We cannot retain our place among the civilized nations or sleep in good conscience or sit down in peace of mind to our own still abundant meals if we do

not now ...

not now do what we can. From the Ukraine to India we are morally on trial.

There can be no doubt that if the American people understand what is at stake they will do what has to be done and make whatever sacrifices are necessary."

The Oakland, California, <u>Tribune</u> editorially said in part: "The world-wide food problem has economic and political aspects. We cannot expect economic stability and political restoration under famine conditions. Starvation is a direct road to revolution. Malnutrition is an invitation to malcontents. Unrest, disillusionment and poverty breed wars. They are the fertile fields for upheaval, uprisings and new-style dictators.

"The United States, as a powerful world leader, has a deep interest and stake in world stability and economic prosperity. We can make an important contribution to this end by helping remove those conditions which menace orderly reconstruction.

"Our humanitarian feelings and our own national interests dictate wide, popular support for the forthcoming voluntary program of food economy."

Requisitioning Urged

The Philadelphia Record editorially said in part: "Government, having determined the needs of Europe and the amount which can decently be spared in America, should requisition the difference -- and send it over. Then it is up to us to get along on the rest. If that can be done by indirect rationing, as is now proposed with wheat, well and good. If it means restoration of direct rationing, we think most Americans will be willing to accept that.... This is America's job as a nation. As a nation we should do it."

The Washington <u>Post</u> commented: "The establishment of a Famine Emergency Committee at the White House on Friday constituted the first essential step toward realizing the overwhelming will of the American people to share our bounty so that millions may survive who are otherwise doomed to death by starvation.... The first task of the Emergency Committee must be to make the facts known.

"With the need made plain, public support and public participation must be mobilized. Government authorities have already told us that we must effect a reduction of 25 per cent in our consumption of wheat and wheat products and that fats and oils must be conserved in every possible way. It is no, less vital that the Government itself be galvanized into effective action....

"Thus, a dual responsibility is thrust upon us. We must, as individuals, share in the saving of food. And we must, as a self-governing people, demand imperatively that the fruits of our saving and sharing be made effective by decisive governmental action."

The Washington Star discussing the "War on Famine" said in part: "President Truman proposes to use the new Famine Emergency Board, as a sort of strategy staff to plan and expedite a global war on famine... To the United States and to the other nations which have undertaken to insure peace for the world, there is an element of self-interest and self-protection involved in this campaign. Experience has shown that Americans need only to be convinced of the need and their response will be prompt and generous. USIS.

#### NEW U.S. MINISTER TO LIBERIA TAKES OATH OF OFFICE

Washington, March 2 -- Raphael O'Hara Lanier took the cath of office yesterday as United States Minister to Liberia. Lanier succeeds Wilson A. Walton, who recently resigned after more than ten years in that post.

Lanier has had a distinguished career as an educator and administrator. Last year he became a special assistant in the Bureau of Areas of the United Nations Relief and Rehabilitation Administration.

In a letter to Walton, the retiring minister, Secretary of State Byrnes praised his distinguished service in Liberia. Byrnes noted that, largely as a result of Walton's efforts, the United States now is cooperating with the economic and social progress of Liberia. --- USIS.

#### RUSSIAN PLANES SHOOT AT U.S. SEAPLANE OVER MANCHURIA

Washington, March 3 -- The U.S. Navy has issued the following statement regarding Russian fighter planes shooting at an American plane flying over Manchuria:

On February 20, two Russian fighter planes overtook a United States Navy seaplane (a Mariner) near Dairen, Manchuria, and fired warning bursts for about 10 minutes. The American plane, which was not hit, returned to its base at Tsingtao, China.

The incident took place after the pilot of the Mariner, contrary to orders, had gone inland from the coast. Disciplinary action has been taken by the pilot's superiors. Dairen was declared a free port, open to the commerce and shipping of all nations under the terms of the Chinese-Russian treaty of amity of August 14, 1945.

The Navy Department is informing the Soviet Government that the action of the Russian planes in opening fire is unjustifiable in view of the friendly relations existing between the two countries.

This is the second episode of the same character which has occurred in the Dairen-Port Arthur area. On October 15 a Mariner carrying out a routine flight for identification of shipping in the Gulf of Chihli passed within one mile of Port Arthur and turned south. When it was about 25 miles out to sea from Dairen, it was overtaken by a Russian fighter plane which made several approaches, on at least one of which it opened fire.

The Navy Department protested against this hostile act, which took place beyond the three-mile limit over the open sea. The Soviet Navy replied that the defense of Port Arthur is a Eussian responsibility, according to the terms of the Chinese-Russian treaty of friendship and alliance, and that United States planes may not enter the boundaries of the naval base at Port Arthur and Dairen, nor approach the coast within 12 miles of those places, without obtaining permission in each instance from the Soviet military command.

The Navy Department pointed out to the Russians that they had not informed the United States previously of an intent to apply a 12-mile limit to Soviet-occupied territory, as distinguished from actual Soviet territory, and that the Russian answer did not explain why an American plane had been fired upon when 25 miles at sea. No reply has been received from the Soviet.---USIS.

#### U.S. NAVY DRAWS UP LONG-RANGE RESERVE PLAN

Washington, March 3 -- The U.S. Navy Department announced yesterday that it will seek approval by Congress of a long-range naval reserve plan under which the United States' active and reserve fleets could be readied for war within tendays.

The plan calls for an organized reserve of 25,000 officers and 177,000 men, assigned to surface, submarine and air components. Specialist units would include intelligence, fire fighting, civil engineers, ordnance and harbor defense.

A volunteer reserve, to supplement the organized reserve, also is planned. It would consist of at least 32,000 officers and 780,000 enlisted men.

Under the proposal, the Navy's air arm would play an important part. Organized air reserves would provide for 6,100 naval and marine aviators. Modern fighters, bombers, scout and torpedo planes would be used to train both the organized and volunteer reserves.

A volunteer merchant marine will be included in the naval reserve program and a Marine Corps reserve unit will be open to all marines separated since the Japanese surrender. WAVES also would have a part in this overall program. --- USIS.

1.654.000 TONS OF U.S. COAL SHIPPED TO EUROPE IN FEBRUARY

Washington, March 2 -- Emergency shipments of coal to liberated Europe were nearly 15 per cent ahead of schedule in February, the War Shipping Administration announced Friday. WSA figures showed that February coal loadings for export to France, Norway, Italy, the Netherlands, Greece, Denmark, and Belgium totalled 1,654,000 tons.---USIS.

#### FIFTY U.S. AVIATION EXPERTS WILL ATTEND DUBLIN CONFERENCE

Washington, March 3 -- Fifty United States aviation experts from federal organizations and U.S. airlines will attend the conference of the Provisional International Civil Aviation Organization, opening at Dublin, Eire, March 4, the Civil Aeronautics Administration announced.

The United States delegates to the conference will be headed by Gerald B.

Brophy, who is also United States delegate to the interim council of the PICAO which has headquarters in Montreal, Canada. The technical staff will be headed by Charles I. Stanton, deputy administrator of the Civil Aeronautics Administration. The delegation will also include 23 representatives of interested Government agencies, including the State Department, the Civil Aeronautics Board, the War and Navy departments, the Coast and Geodetic Survey, the Federal Communications Commission and the Paritime Commission.

Industry representatives will include delegates for/aeronautical radio communications industry, the Air Transport Association, representing United States airlines, and the three United States airlines, which have been designated to fly north Atlantic routes -- Pan-American Airways, American Overseas Airlines, and Transcontinental and Wostern Air.

Twelve northern European nations and Spain and Portugal will also participate in this north Atlantic regional conference, which is the first of ten regional meetings planned by PICAO to consider variations in operation procedures in different parts of the world. The Dublin conference will review and plan for operation of aviation facilities necessary for the north Atlantic route. Delegates also will study regional operating procedures to supplement the world-wide standards set up by PICAO.

Another matter to be considered at Dublin is the need for extensive air facilities in small countries and allocation of expenses for operating them.

The conference .

The conference also will seek to establish world-wide standards for navigation and communications facilities, weather services, air traffic control, ground aids, and procedures in search and rescue.

The regional conference is expected to last about four weeks. Its decisions will be reported to the PICAO Council in Montreal for final adoption. --- USIS.

EARLY ANGLO-FRENCH-U.S. STATEMENT ON SPANISH SITUATION PLANNED

Washington, March 2 -- A State Department spokesman said yesterday that both the French and British had accepted in principle the United States proposals regarding Spain. It is planned to put out a joint statement by the three governments on the Spanish situation, the spokesman said.

The secretary of the British embassy has not yet received final clearanco from London.

What changes in the proposals, if any, will be wanted by the French were also to be discussed yesterday by the representative from the French embassy with Paul Culbertson, chief of the Division of Western European Affairs.---USIS.

TRUMAN PLEADS FOR UNSTINTED AID TO RED CROSS

Washington, March 2 -- President Truman last night called attention to "the vital role of the American Red Cross in this the first year of peace," and asked for support to exceed the organization's campaign goal of 100 million dollars. In a short nationally broadcast radio address, the President cited the continuing need among servicemen overseas and at separation centers in the United States for Red Cross services.

"In addition to all this," the President continued, "is the aid the Red Cross gives to countless thousands of poverty-stricken people in war-devastated countries. To them the merciful hands of the Red Cross reach across the sea with milk for undernourished children, warm garments, shoes and medical supplies. Thus is shown again the eager desire of the American people to lessen the tragic effects of global war."---USIS.

#### SIX DUTCH EDITORS TOUR U.S. AS GOVERNMENT GUESTS

Washington, March 3 -- Six prominent Dutch editors arrived here yesterday for a six-day visit before going on to New York City to complete their seven-week tour of the United States as guests of the State Department's Office of International Information and Cultural Affairs.

During their Washington stay, the editors are scheduled to visit famous places, meet several congressmen of Dutch descont, attend press conferences of the President and Secretary of Commerce Wallace and attend entertainments in their honor given by the Netherlands ambassador, editor of the Washington Post, and congressmen.

The guest editors comprise the latest of several groups of European journalists who have recently toured the United States, observing America's scientific, economic and cultural achievements as well as American handling of reconversion and demobilization problems.

The group consists of H.J. Hellema, representing two organs of the Conservative party; H.G. Hermans, representing two Catholic newspapers; L.J.Kleyn, representing the Social Democratic press; A.J. Koejemans, Communist editor and member of parliament; A.J.P. Tammes, Liberal editor; and H.M. Van Randwijk, representing two former underground publications which are now prominent.---USIS.

SNYDER CANCELS PROPOSED TRIP OF INSPECTION TO JAPAN

Washington, March 2 -- John W. Snyder, Office of War Mobilization and Reconversion director, has cancelled his trip to the Pacific islands and Japan, scheduled to start Monday cwing to pressure of work, the White House announced today. Snyder had planned to spend two weeks inspecting war surplus property together with Under Secretary of War Kenneth C. Royal and Foreign Liquidation Commissioner Thomas B. McCabe.---USIS.

#### DETAILS OF U.S. EXPORT-INPORT BANK JOANS ANNOUNCED

Washington, March 2 -- When President Truman yesterday submitted to Congress a statement on United States foreign loan policy it was accompanied by a list of loans authorized by the Export-Import Bank as of December 31, 1945. Following are the loans, by country and agency within the country:

Brazil -- Lloyd Brasileiro, 38,000,000 dollars, purchase of cargo vessels.

Chile -- State railways,1,200,000 dollars, purchase of locomotives; State railways, 2,000,000 dollars, purchase of electrical equipment; Fomento Corporation, 33,000,000 dollars, purchase of steel mill, electrical and other equipment.

Ecuador -- Republic of Ecuador, 1,000,000 dollars, purchase of engineering services.

Mexico -- United States of Nexico, 10,000,000 dollars, highway construction, equipment and services; Nationale Financiera, 20,000,000 dollars, purchase of electrical equipment; Fred Leighton, 150,000 dollars, import of Mexican handicraft;

Peru -- Cia Peruana del Santa (Westinghouse Electric International Company), 350,000 dollars, purchase of electrical equipment.

Total for Latin America -- 105,700,000 dollars.

#### Loans To Europe

Belgium -- Kingdom of Belgium, 55,000,000 dollars, purchase of U.S. goods and services on lend-lease 3-C terms; 45,000,000 dollars, purchase of other U.S. goods and services.

Denmark -- Kingdom of Denmark, 20,000,000 dollars, purchase of U.S. goods and services.

France -- Republic of France, 550,000,000 dollars, purchase of U.S. goods and sorvices on lond-lease 3-C terms.

Netherlands -- Kingdom of the Netherlands, 50,000,000 dollars, purchase of U.S. goods and services on lend-lease 3-C terms; 50,000,000 dollars, purchase of other

U.S; goods

U.S. goods and services.

Norway -- Kingdom of Norway, 50,000,000 dollars, purchase of U.S. goods and services.

Various European countries -- 100,000,000 dollars, purchase of raw cotton.

Total for Europe -- 920,000,000 dollars.

#### Loans to Asia

Saudi Arabia -- Kingdom of Saudi Arabia, 5,000,000 dollars, purchase of goods and services.

Turkey -- Turkish State Airways (Westinghouse Electric International Company), 3,060,000 dollars, purchase of airport equipment.

Total for Asia -- 8,060,000 dollars.

Various countries -- Governments of various countries (International Standard Electric Corporation) 5,000,000, purchase of communications equipment.

Special exporter-importer credits -- 1,000,000 dollars, for various purposes.

Grand total -- 1,039,760,000 dollars.

Undisbursed commitments as of June 30,1945 (adjusted for expiration and cancellations up to December 31,1945) -- 326,460,000 dollars.

Outstanding loans as of June 30,1945 (adjusted for repayments between June 30,1945 and December 31,1945) -- 193,430,000 dollars.

Total commitments as of December 31,1945 -- 1,559,650,000 dollars.---USIS.

### NEW U.S. MINISTER TO DENMARK

Washington, March 2 -- President Truman yesterday nominated Josiah Marvel, Junior, as minister to Denmark. Marvel will replace Monnett Davis who was transferred to Shanghai as Consul General.

Marvel is a lawyer of Wilmington, Delawaro, was captain in the U.S. Army Air Forces and chairman of the state Democratic Committee.---USIS.

#### COMMITTEE OF EXPERTS TO DEMARCATE ITALO-YUGOSLAV FRONTIER

Washington, March 1 -- The State Department today announced that the following communique was issued in London last night by the Council of Foreign Ministems! deputies:

"In accordance with the decisions of the Council of Foreign Ministers in September, the deputies to the Council of Foreign Ministers have appointed a commission of experts to prepare a report and recommendations on fixing the boundary between Italy and Yugoslavia, which boundary will in the main be the ethnic line, leaving a minimum of the population under alien rule. In carrying out its task the commission of experts will take into consideration not only the ethnic composition of the areas to be investigated but also their special economic and geographical features.

"The deputies have instructed the commission to study the documents concerning the boundary which have been submitted to the Council of Foreign Ministers by the governments of Yugoslavia and Italy, as well as the views which have been submitted by other United Nations governments in accordance with the invitations which were extended to them by the Council of Foreign Ministers.

"The deputies have also instructed the commission to proceed immediately to the area in question in order to study the ethnic composition of the population as well as the special economic and geographical features of that area.

"On completion of its investigations on the spot the commission will return to London where it will prepare the final report and recommendations for submission to the Council of Foreign Ministers. The commission of experts will shortly arrive at Trieste and will consist of: M. Wolram (France), M. Yeraschenko (USSR), Mr. Waldock (United Kingdom) and Doctor H.W. Moseley (United States)."

Doctor Harold W. Moseley, United States representative on the commission, has been serving with the European advisory commission and is now in London. He has been with the State Department since 1942, and in 1944 was chief of the division of . . .

division of territorial studies. He accompanied the Secretary of State to the Moscow Conference in 1943.

Doctor Moseley formerly taught political science at Princeton and Cornell universities. He was graduated from Harvard and also studied in England, France and Italy.---USIS.

### U.S. IS CONCERNED OVER REPORTED SOVIET REMOVAL OF WAR BOOTY FROM MANCHURIA

Washington, March 1 -- A State Department spokesman said today that newspaper reports from Manchuria that Russia has been removing so-called war booty from Manchuria have prompted the United States to tell the Soviet Government of United States' concern in the matter.

The spokesman said that United States discussions with the Soviet Government, through the U.S. embassy at Moscow, began about three weeks ago and more recently with other governments concerned, which were not named. The spokesman pointed out that this does not mean acknowledgement that Russia has been removing so-called war booty, as the United States has no direct information on this and has not learned officially that this is true. The Department has issued the following statement on the situation:

"We have no agreement, secret or otherwise, with the Soviet Government or any other government in regard to 'war booty' in Manchuria. This Government does not accept any interpretation of 'war booty' to include any industrial enterprises or components thereof such as Japanese industries and equipment in Manchuria.

"Some time ago we informed the Soviet Government that disposition of Japanese external assets, such as industries in Manchuria, is a matter of common interest and concern to those allies who bore the major burden in defeating Japan and that it would be most inappropriate at this time to make any final disposition of Japanese external assets in Manchuria either by removal from Manchuria of such industrial assets as 'war booty' or by agreement between the Soviet and the Chinese governments for the control of those assets. This Government has recently initiated discussions with the other governments principally concerned with reparations from Japan with respect to the final disposition of Japanese external assets!——USIS.



# FOR IMMEDIATE RELEASE American Newsfile

#### ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

#### U.S. ECONOMIC REVIEW

NEW WAGE-PRICE POLICY IS ELASTIC MEANS OF FIGHTING INFLATION

Washington, March 1 -- Present and potential assaults on the U.S. Administration's new wage-price policy come from diverse sources, with conflicting motives.

Various segments of business are seeking to shake off price controls within their own field. The National Association of Manufacturers confines itself to advocating removal of price control on manufactured goods. It is silent about food and rent ceilings. Farm bloc leaders, however, are asking for suspension of price ceilings on dairy products. Similarly the National Association of Real Estate Boards opposes ceiling prices on real estate.

Manufacturers base their opposition on the contention that removal of price control will speed up production, goods will then pour into the market and within a reasonable time prices will adjust themselves naturally as the result of competition. Real estate boards base opposition to the proposed ceiling prices on real estate on the grounds that ceiling prices would paralyze the real estate market, destroy the incentive to builders and intensify the housing shortage.

Opponents of price ceilings on dairy products declare that the new policy has brought about "complete unbalance" between manufacturing wages and prices and farmers' income. Says one spokesman: "Thousands and hundreds of thousands of farm houses stand empty because agricultural income is too low to attract labor. That is the chief reason for the housing shortage elsewhere."

#### Labor Views

Organized labor also is opposed to the new wage-price policy. The presidents of both the American Federation of Labor and the Congress of Industrial Organizations have denounced the wage stabilization provision of the new policy on the grounds that they amount to "wage regimentation."

The CiO also has charged that the requirement that the Government approve wage increases, even when obtained through collective bargaining, "seriously undermines the freedom of American workers and destroys the value of collective bargaining."

The heart of the complaints of organized labor against the new wage-price policy is that the policy favors business because, while placing a floor under profits, a return equal to the 1936-39 earnings, it puts no ceiling on them. In contrast, unions

contrast, unions say, the policy puts a virtual ceiling on wages at about 18 per cent above the V-J Day levels.

Besides this opposition from business, farmers and labor, Marriner Eccles, chairman of the Federal Reserve System, has declared that price controls alone cannot halt "inflationary dangers" unless the Government can first get production going and, secondly, halt the increasing supply of money. The latter he considers the most serious danger and the "primary source" of inflationary pressures at this time. His major theme is that inflation cannot be checked by any one action, such as price control, but must be met by a general and uniform program which would meet inflationary dangers on all fronts simultaneously.

#### Employers' Doubts

There is currently developing a hesitance on the part of employers to raise wages. They argue that a wage increase must actually be given by an employer before he can ask for the price relief that this might call for. A price increase, however, may or may not be given to cover the wage cost, depending upon the Government's interpretation of the formula to be applied in granting price increases.

Several big strikes continued while employers sought a clearer idea of what might be permitted in the way of price increases to offset wage increases. Other strikes threatened as employers refused to go along with the wage increase domands when they lacked a definite assurance of the specific price increases they would be allowed to make.

The Administration's defence of the new wage-price policy in the interest of the public as a whole may be summed up as follows: The main economic danger threatening the country is inflation. Thile at first glance it would seem logical to resort to rigid stabilization and deflationary policies, with all wage and price increases banned, such policies are not practicable because unchanged wage rates would mean enormous hardships to workers and would be opposed by them. The only really satisfactory and practicable method is to increase the supply of goods and, by absorbing purchasing power, lessen the pressure on the price level. However, production cannot be increased unless producers have a sufficient profit margin.

It is, therefore, necessary to restore profits by pegging up prices in those cases where increased wages would otherwise result in unduly low profits or an outright loss.

Therefore, the Administration contonds, the Government's relaxation of price freezing is to be interpreted as an anti-inflationary measure. This elastic method of fighting inflation could not be successful if the price increases granted were so high and so comprehensive as to raise the cost of living index and thereby disturb labor peace again, or if they were so low that output would not be raised sufficiently.

Government's objective is to go as far in stimulating production as is consistent with stabilising wages and prices at a new level which, in President Truman's own words, will constitute a "bulgo" in the price line but not a "break-through".---USIS.



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293 HORNBY ROAD, BOMBAY.

FAR EAST REVIEW

SWEEPING ECONOMIC MEASURES TAKEN BY JAPANESE GOVERNMENT

Washington, March 1 -- In Japan last wook swooping measures designed to check inflation, encourage home production and bring about equitable distribution of foodstuffs to relieve serious shortages were introduced by the Shidehara cabinot, with Allied headquarters' approval.

Currency measures immediately freezing bank deposits were put into effect as the first stop in the removal of excess purchasing power which, since the ond of the war, has forced up food and other prices. All withdrawals of deposits from banks wore blocked with the exception of necessary withdrawals, which will be allowed on a fixed basis. The circulation of all all bills over ten yen in denomination will be ruled null and void as of March 2 and now currency will be issúed.

Following the issuance of new currency, no single man will be able to obtain from his salary plus his own bank account more than 800 year per month and no head of a five-person family will be allowed more than 1,100 year per month. Meanwhile the Japanese people will be asked to file property tax and corporation wartime profits tax reports and the Government will fator collect the taxes on the basis of these estimates.

Underlying these strangent currency measures as the hope that the nation, now facing its greatest oconomic crisis, will be able to meet the emergency.

Inflation as also being attacked from the production front with a new food law aimed at equalizing distribution and crushing the black market. The Shidehara Government not only plans forced, but compensatory, collections from farmers who do not sell their foodsturks by an appointed period of time, but also plans raids on food hoarders starting Morch 3

An attempt to encourage food production is seen in the Government plan to ration deliveries of artificial fertilizers to farmers according to the amount of food they deliver under the quota system. It will also prevent black market sale of fish by making fuel oil supplies to fishermen dependent upon their turning over their catch. To encourage industrial production, extra food rations will be offered

With the end of the war in the Pacific Japan's already toterring economy got completely out of hand. Economic conditions, bad enough during the war, became chaotic as the result of the rapid rise of commodity prices and living expenses, shortage, poor distribution of foodstuffs, and standstill of productivo machinery. Present currency and food controls are designed to increase tho per capita ....

the per capita food rations, speed production of coal and fertilizers as well as export commodities, thus further checking the inflationary trend.

#### Export Program For Japan

Japan's immediate critical need for food and industrial imports to get production going is also being met by the Allied headquarters export program announced earlier this week. This program, which will be only 25 per cent of that in prewar years, will be carried on reciprocally with nearby countries on a barter basis.

Almost no currency will be involved. In 1936, the last peacetime year in Japanese trade, the value of its exports, including shipments to its colonies of Korea and Formosa, ranked as fourth largest in the world.

Japan's prewar trade has now been forfeited by the Japanese themselves as part of the price for waging aggressive war. With a large part of its industrial facilities destroyed by the Allied air forces and with stringent limitations imposed on the remaining large-scale industries, Japan's ability to produce for expert can at boot boonly a small fraction of its former capacity -- large enough only to support and help stabilize the national economy.

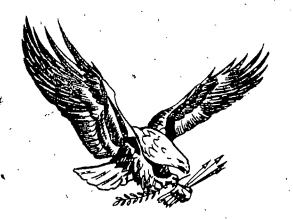
Reports coming from the Japanese countryside reveal that since the announcement of the emergency financial measures prices have dropped and bank deposits have increased. In some districts prices of vegetables and fish dropped to 30 per cent, while prices of daily commodities tumbled 50 per cent.

Japanese newspapers and political parties have voiced their approval of these measures. However, the Progressive, Liberal and Social Democratic parties, while supporting the government's action, said that only increased production of foods, daily necessities and other vital materials could justify introduction of strict monetary control. Currency control would prove valueless, they said, if food remained unavailable to the masses.

The Communist party declared that it is definitely opposed to the new emeragency measures on the ground that the only way to check inflation is to return control of all production to the hands of the people.

The newspaper Asahi, commenting favorably on the measures, warned that unless there is production of commodities and unless they are fairly distributed, there is danger of the people not being able to have either money or goods. There are loopholes, Asahi said, whereby managers of factories can obtain materials without violating the law. Laborers, Asahi commented, will have to be on the watch.

But it is the overall opinion of the political parties, newspapers and the Allied authorities that the economic measures of the Government so recently announced are the first and necessary steps in meeting the postwar chaotic economic conditions and in restoring the national economy. ---USIS.



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293 HORNBY ROAD, BOMBAY.

#### U.S. LOAN POLICY

#### TRUMAN SUBMITS TEN-POINT STATEMENT TO CONGRESS

Washington, Merch 2 -- President Truman submitted to Congress Friday a ten-point statement on the foreign loan policy of the United States, recommending an increase of 1,250 million dollars in the leading authority of the U.S. Export-Import Bank during the next fiscal year.

The policy statement was prepared by the National Advisory Council on International Monetary and Financial Problems, established by Congress with the enactment of the Bretton Woods agreements last July. The statement was signed by Secretary of Treasury Vinson as chairman of the Council, Secretary of State Byrnes, Secretary of Commerce Wallace, Marriner S. Eccles, chairman of the board of governors of the Federal Reserve System, and William M. Martin, Jr., chairman of the board of directors of the Export-Import Bank.

The policy statement emphasized that the U.S. Export-Import Bank had been authorized by Congress to make loans to war-devastated areas, pending effective operation of the International Bank set up under the Bretton Woods agreements. The statement explained that the International Bank was expected to begin lending operations this year, but probably would not be in a position to enter into more than a small volume of commitments during the year.

In a review of U.S. foreign loan activities, the Council stated that at the end of 1945 the Export-Import Bank had outstanding commitments of 1,560 million dollars and on January 1 of this year had unused lending power of 1,900 million dollars for making additional commitments.

The Council said that after careful consideration of all factors, it had concluded that the most urgent foreign needs would involve loan commitments of about 3,750 million dollars through June 1947 exclusive of the proposed credit to Britain.

With the available funds of the Bank now about 2,000 million the Council said it would be necessary to ask Congress to increase the lending authority of the Bank by 1,250 million dollars. The Council pointed out that although this was a substantial increase, it was believed to be a minimum figure.

President Truman, in his message transmitting the policy statement, reviewed the establishment of the Council and said:

"I fully....

"I fully endorse the recommendations of the Mational Advisory Council. Furthermore, I wish to emphasize that in my judgment the successful execution of this policy, including the implementation of the financial agreement with the United Kingdom, which I transmitted to the Congress on January 30, 1946, is of basic importance in the attainment of the objectives of the economic foreign policy of the United States. International economic cooperation, which is the keynote of our economic foreign policy, must accompany international political cooperation, and we must achieve both if world peace is to be enduring."

Secretary Vinson, in a letter to the President submitting the policy statement, said: "At an early date the Council undertook to consider proposals and applications for foreign loans, and to study the problems and broad implications of foreign lending. The statement which is now submitted to you is an outgrowth of these activities of the Council and represents our present views. The Council will continue to study these matters and will report further to you as the rapidly changing conditions at home and abroad may require."

Vinson, in a press conference on the policy statement, said the proposed loan to Britain was "unique" and required Congressional authorization, but that other loans would be channellod through the Export-Import Bank.

#### Loan Policy Statement

Following is the text of the policy statement by the National Advisory Council:

ONE -- The foreign loan program of the United States, by assisting in the restoration of the productive capacities of the war-devastated countries and by facilitating sound economic development of other areas, is directed toward the creation of an international economic environment permitting a large volume of trade among all nations. This program is predicated on the view that a productive and peaceful world must be free from warring economic blocs and from barriers which obstruct the free flow of international trade and productive capital. Only by re-establishment of high levels of production and trade the world over can the United States be assured in future years of a sustained level of exports appropriate to the maintenance of high levels of domestic production and employment. By far the greatest part of the program of reconstruction is being carried out with the resources of the war-devastated countries. UNRRA takes care only of those immediate relief needs which cannot be met out of the resources of the countries involved.

Another part of this program is being carried out through the sales of surplus property, such sales being made on credit terms or for local foreign currencies where sales for cash payment in United States dollars cannot be made.

TWO -- The International Bank will be the principal agency to make foreign loans for reconstruction and development which private capital cannot furnish on reasonable terms. It provides a means by which risks as well as benefits from international lending will be shared by all of its members.

It is expected that the International Bank will begin lending operations in the latter half of 1946 and that during the calendar year 1947 the International Bank will assume primary responsibility for meeting the world's international capital requirements that cannot be met by private investors on their own account and risk. With its present membership, the International Bank will

be authorized to lend approximately 7,500 million dollars. The bulk of the funds for loans made through the International Bank will be raised in private capital markets of the member countries, particularly in the United States. However, since this new institution will take time to develop a lending program, it will probably not be in a position to enter into more than a small volume of commitments this year.

THREE -- The proposed loan to Britain requiring Congressional authorization is a special case, but one which is an integral part of the foreign economic program of this Government. No other country has the same crucial position in world trade as England. Because of the wide use of the pound sterling in world trade, a large proportion of the world's trade which is carried on by the countries of the British Empire, and the extreme dependence of England upon imports, the financial and commercial practices of Britain are of the utmost significance in determining what kind of world economy we shall have.

Early realization of the full objectives of the Bretton Woods program, including elimination of exchange restrictions and other barriers to world trade and investment, requires an immediate solution to Britain's financial problem. The International Monetary Fund agreement permits continued imposition of certain of these restrictions for as much as five years; in the financial agreement of December 6, 1945, the British agree to their removal within one year from the effective date of that agreement. It is the view of the Council that the British case is unique and will not be a precedent for a loan to any other country.

#### Export-Import Bank Loans

- FOUR -- In July 1945, Congress, for the purpose of making loans to the wardevastated areas during the period prior to the inauguration of the International Bank and for promotion of American exports and other special purposes, increased the lending power of the Export-Import Bank by 2,800 million dollars, making its total lending power 3,500 million dollars. At the end of 1945 the Export-Import Bank had outstanding commitments, including money authorized for cotton loans, of 1,560 million dollars of which 1,040 million dollars was committed in the last half of 1945. The 1,040 million dollars of the commitments made during the last half of 1945 consisted of:
- (a) 655 million dollars for the purchase of goods which originally had been included in the lend-lease programs to Belgium, the Netherlands and France;
- (b) 165 million for the purchase of other goods and services necessary for the reconstruction of Belgium, Denmark, the Netherlands and Norway;
- (c) 100 million available to various European countries, including Finland, Belgium, Czechoslovakia, France, Italy, the Netherlands and Poland for the purchase of raw cotton; and
- (d) 120 million dollars for specific export and development programs, mostly to Latin American countries.

On January 1, 1946, the Export-Import Bank had an unused lending power of 1,900 million dollars for making additional commitments. In addition to the 1,900 million dollars, there will be available during the fiscal year 1947 about

50 million dollars from repayment of principal and an additional sum (possibly 100 million dollars) from the cancellation of earlier commitments.

FIVE -- Pending the effective operation of the International Bank for Reconstruction and Development, it has been the policy of this Government to limit loans through the Export-Import Bank to the immediate minimum needs of the borrower. Among the factors taken into consideration in making loans of this character are:

- (1) The urgency of the need of the borrower;
- (2) The borrower's own resources;
- (3) The possibility of obtaining the loan from other sources like private capital markets and other governments;
  - (4) The ability of the borrower to make effective use of the funds;
  - (5) The capacity of the borrower to repay; and
  - (6) The impact of the loan on our domestic economy.

SIX -- It is the view of the Council that, pending the establishment and operation of the International Bank, this Government can meet only a small proportion of the undoubtedly large needs of foreign countries for credits for reconstruction and development. After a careful consideration of all the factors, the Council has concluded that the most urgent foreign needs will involve negotiations for loan commitments by the Export-Import Bank of approximately 3,250 million dollars in the period from January, 1946, through June, 1947. This is exclusive of the proposed credit to Britain.

Since the available funds of the Export-Import Bank are about 2,000 million dollars, it will be necessary, in order to carry out this program, to ask Congress to increase the lending authority of the Bank by 1,250 million dollars. Although this is a substantial increase, the Council believes that it is the minimum figure.

It is only through careful screening that it will be possible to carry out the program within the limits of the additional funds which the Congress will be asked to make available to the Bank. It is the established policy of the United States Government carefully to scrutinize each loan application to determine that the need is urgent and that the funds can be obtained from no other source than the Export-Import Bank.

SEVEN: On balance, the loan program will be beneficial to our domestic economy. In the transition from war to peace, expanded foreign trade will not only assist the reconstruction of foreign countries, but also ease the reconversion problem of a number of domestic industries. During the war, many of our important industries, particularly in the field of capital goods; were built up to capacities far in excess of any foreseeable peacetime domestic demands. With the elimination of war demands, much of this American productive capacity may be unused. Such a situation has already arisen, for instance, with reference to railroad equipment, machine tools, power and transmission equipment, and certain types of general industrial machinery. This is also true for some of the metals, heavy chemicals, synthetic rubber and other industrial materials. Similarly

we have quantities of cotton, tobacco and other agricultural products which are surplus to domestic needs. It is fortunate that this excess productive capacity is for many items which are most urgently needed by the war-devastated countries.

#### Allocation And Export Controls Necessary

However, a part of the foreign demand will fall on products which are at present scarce in American markets. The Department of Commerce estimates that perhaps one-fourth of the proceeds of foreign loans will be spent on such products. In these cases the export demand, although small in relation to current domestic demand, contributes to inflationary pressures in the United States economy, and allocation and export controls must be maintained in order both to prevent any undue drain on demestic supplies and to assure that the minimum essential needs of other courtries are met.

In this connection, account must be taken not only of the fact that there is an inevitable delay in the spending of the loans, but also that the Export-Import Bank discourages the employment of loan proceeds for the purchase of commodities in scarce supply. It is also the policy of the Government to prevent the proceeds of loans from being used to purchase goods in the United States market when similar supplies are for sale as surplus property.

The figure of 3,250 million dollars in requirements through the fiscal year 1947 represents anticipated commitments and not amounts which will be actually loaned or spent. For example, on January 1, 1946, the not outstanding loans of the Export-Import Bank amounted to only 252 million dollars although the total was 1,600 million dollars. In order to permit foreign governments to plan their import programs and to permit United States producers to schedule their production, loan commitments by the Export-Import Bank must be made well in advance of the actual use of loan funds.

In view of these considerations, it is believed that a foreign lending program adequate to nect the minimum needs of foreign countries will provide additional production and employment in many American industries, and that any temporary sacrifice involved in other areas of the economy will be small compared to the long-range advantages to the United States of a peaceful, active and growing world economy.

#### Loan Will Holp Backward Areas

EIGHT -- A basic question to be considered is whether at a later period foreign countries will be able to service large American loans and investments. There is little doubt regarding the ability of debtor countries, after their economies have been fully reconstructed, to increase their national income sufficiently to handle the service charges on American loans and investments, providing that an undue part of the national income of the borrowing countries is not diverted to military expenditures. This increase can be brought about through the modernization of economically backward areas, increased employment, and the utilization of new productive techniques, and well-directed foreign loans will make an important contribution to this development.

The ability of borrowing countries to develop an export surplus sufficient to meet service charges on foreign loans will depend in large measure upon the level of world trade. A high level of world trade will in turn depend upon the maintenance of a high level of world income and a reduction of the barriers to

international trade which have grown up in the past. A high level of world income, and of national income in the United States, will be greatly influenced by the domestic economic policies of the United States and of other major countries.

It is expected that the International Trade Organization will play an important role in securing the international economic environment necessary for the maintenance of high levels of world trade. The operation of the International Monetary Fund should assure the orderly functioning of multilateral payments, and this will make it possible for debter countries to convert their export surplus with any country into the currency in which their obligations must be discharged.

#### Two-Way Trade

NINE -- Fundamentally, however, the ability of foreign countries to transfer interest and amortization or foreign loans to the United States depends upon the extent to which we make dollars available to the world through imports of goods and services, including personal remittances and tourist expenditures, and through new investments abroad. As a last resort, the world outside of the United States has current gold production of possibly 1,000 million dollars per year to add to their present foreign exchange reserves, which can be dipped into to insure payment.

As long as new American investment exceeds interest and amortization on outstanding foreign investment, the question of net repayment on our total foreign investment will not arise, although as individual investments are paid off the composition of our foreign investment may shift. It is impossible to prophesy when receipts on foreign investment will exceed new investment, as American investment abroad will depend on many future developments. In a world of peace, prosperity and a liberal trade policy, there may well be a revival and continuation of American private investment on a large scale. Including a reinvestment of the profits of industry, that will put the period of net repayment far in the future. Such an increase of investment is a natural and wholesome development for a wealthy community.

Whon net repayment begins, whether this be a few years or many decades from now, it will involve an excess of imports of goods and services (including foreign travel by Americans) over our total exports of goods and services. growth of our population and depletion of our natural resources and increase in our standard of living will increase the need for imported products, and these developments together with the maintenance of a high and stable level of employment will facilitate this adjustment. The annual interest and amortization payments on the entire present and contemplated Export-Import Bank program, the International Bank loans floated in the United States mar-British loan, and kets will be less than 1.000 million dollars. Receipt of payments on our foreign loans in the form of goods and services is entirely consistent with increased exports from this country and rising production at home, and will contribute to a rising living standard in the United States in the same way that a private individual's earnings on his investments make possible an increase in his own living standard.

TEN .-- The loan policies stated here are in full accord with the basic political and economic interests of the United States.

This country...

This country is supporting the United Nations Organization wholeheartedly and the success of the United Nations Organization depends not only on political agreement but also on economic improvement. These loans are for economic reconstruction and development. They will enable borrowing countries to increase their own production, relieve their foreign trade from excessive regulation, and expand their trade with us. Economic stability will foster peace. This program of foreign lending is essential to the realization of the main objective of the foreign economic policy of the United States, which is to lay the ocenomic foundations of the peace.—-USIS.

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# FOR IMMEDIATE RELEASE American Newsfile

#### ISSUED BY THE UNITED STATES INFORMATION SERVICE

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The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 6, 1946

#### U.S. PROTESTS TO RUSSIA ON IRAN AND MANCHURÍA

Washington, March 5 -- The State Department announced tonight that the U.S. has sent two notes to the American embassy in Moscow for transmission to the Russian Government.

One note deals with the continued presence in Iran of Russian troops. The other deals with a portion of China's reply to the U.S. note of February 9, sent to both Moscow and Chungking, regarding disposition of industrial enterprises in Manchuria.

That part of China's reply with which the note is concerned was made public at Secretary Byrnes' press conference today. In it China stated she was unable to agree with the Soviet Government on the disposition of Japanese enterprises in Manchuria.

The U.S. note to China and Russia of February 9, 1946, stated:

"Current reports of discussions between officials of the Chinese Government and the Russian Government with regard to the disposition and control of industrial enterprises in Manchuria give concern to this Government.

"The Sino-Soviet treaty and agreements signed August 14, 1945, provide for joint Sino-Soviet....

agreements exclude reference to any similar control over industrial enterprises in Manchuria. It is the understanding of the United States Government, which was kept informed of the course of negotiations which led up to the agreements of August 1945 and which has accepted those agreements, that exclusive Sinò-Soviet, governmental control over Manchurian enterprises would be limited to the railways dealt with in the aforesaid agreements.

"It is, therefore, disturbing to this Government to receive reports that discussions are under way which might result in the establishment of exclusive Siro-Soviet control over industrial enterprises in Manchuria. Under present conditions, when free access to Manchuria is not epen to nationals of other powers and equality of opportunity in seeking participation in the economic development of Manchuria is denied Americans and other Allied nationals, it is felt that the negotiation of agreements between the Chim se and Russian governments with regard to industries in Manchuria would be contrary to the principle of the open door, would constitute clear discrimination against Americans who might wish an opportunity to participate in the development of Manchurias industry, and might place American commercial interests at a distinct disadvantage in establishing future trade relations with Manchuria.

#### Reparations Affected

"Directly related to this matter of the industries in Manchuria is the matter of reparations policy for Japan, because the major portion of the industries of Manchuria were Japanese-owned prior to the defeat of Japan. This Government considers that the ultimate disposition of Japanese external assets, such as the industries in Manchuria, is a matter of common interest and concern to those Allies who bore the major burden in defeating Japan.

"This Government is now preparing a general policy outline for consideration by the concerned governments with regard to Japanese reparations. It will be suggested that an inter-Allied reparations commission for Japan be established, and that one of the primary functions of this commission will be the final allocation of Japanese external assets among the various claimant nations.

"It would seem, therefore, most inappropriate at this juncture for any final disposition to be made of Japanese external assets in Manchuria, either by removal from Manchuria of such industrial assets as war booty or by agreement between the Russian and Chinese Governments for the control of ownership of those assets.

"The Government of the United States desires to be cooperative with the Chinese and Soviet governments in seeking a solution of the problems outlined above, and it hopes that the other two governments are animated by a similarly cooperative spirit. It would, therefore, appreciate being informed of any discussions which the two governments may be having or may plan to have or any action they may have taken, in regard to the disposition or control of industrial enterprises in Manchuria, and we would welcome full and frank discussion of the general problem."

#### China's Reply

The Secretary of State today announced he had received a reply from the Chinese foreign office, which read in part:

"The Soviet Government declared in a memorandum addressed to the Chinese Government on January 21, 1946, that all Japanese enterprises in the Chinese northeastern provinces which had rendered services to the Japanese army were regarded by the Soviet Union as war booty of the Soviet forces. The Chinese Government considers this claim of the Soviet Government as far exceeding the scope of war booty as generally recognized by international law and international usage, and for this reason the two governments have not been able to reach a unanimity of views on the fundamental principles involved.

"In another memorandum, presented to officials of the Generalissimo's headquarters in Chang Chun, the Soviet Government declared that it proposed to hand - 3 - over to China a part of the Japanese enterprises which the Soviet Union regarded as war booty while the remaining enterprises (including specified coal mines, power plants, iron and steel industries, chemical industries and cement industries) were to be jointly operated by China and the Soviet Union.

"The Chinese Government on its part has found it impossible to agree to this Soviet proposal because it goes beyond the provisions of the Sino-Soviet agreements of August 14, 1945, and is contrary to the aforesaid stand of the Chinese Government regarding Japanese properties and enterprises in China."
---USIS.

#### U.S. OFFERS FINANCIAL AID TO KOREA

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Washington, March 5 -- The State Department today announced that it is considering methods, including financial aid to Korea, by which the United States can assist Korea to develop a strong and independent economy, freed of Japanese influence. The announcement added:

To provide the necessary information the Department has sent Gordon Strong of the Office of Financial and Development Policy to Korea, where he is serving with Arthur Bunce, recently appointed economic and agricultural adviser to Lieut. Gen. Hodge.

Strong will examine the needs of Koroa with respect to financial and other assistance in rehabilitating and developing its industrial and transportation facilities. This information will be valuable both in planning a general program and in acting upon specific requests for such assistance that may be made by the Korean provisional government, to be set up by the United States-U.S.S.R. joint commission.

It will be the policy of the United States to insure that aid in Korea's economic development is given on terms and under conditions which have been fully discussed with and agreed to by the Korean provisional government.---USIS.

#### TRANIAN REQUEST TO U.S. ON WITHDRAWAL OF RUSSIAN TROOPS

Washington, March 4 -- The Iranian ambassador to the United States, Hussein Ala, who called upon Secretary of State Byrnes today later told the press that he had come to thank Byrnes for his "very timely and excellent speech" before the Overseas Press Club in New York last Thursday. Ala added that it had had a great effect on the people of Iran, because it indicated that the United States would assume the leadership in maintaining justice and security throughout the world.

Ala said he also had called on Byrnes to request that the United States Government follow the lead of Britain in requesting Russia to give information as to why Russia had failed to carry out the agreement to withdraw all Russian troops from Iran by March 2.

In reply to a question as to whether the Iranian premior, Ahmad Ghavam, who is now in Moscow, might not say that Iran had invited the Soviets to remain in Iran, Ala said he was very sure Ghavam would make no such assertion. Ala pointed out that, under the terms of the tripartite agreement, Russia is obligated as much to Britain and the United States as to Iran in making full withdrawl of her troops by March 2.

Ala said: "Imagine our surprise on March 2, when, instead of making a complete withdrawal, the Russians remained in certain areas. As regards the alleged trouble inside the country, that is for Iran to decide: There would be a question as to who created that trouble. If there is trouble anywhere, it is trouble that has been brewing and been created." Ala added that, although he is in constant communication with his Government, he had no new instructions, and therefore assumed he was to follow the same line in regard to his Government's position. ——USIS.

EDITOR'S NOTE: Text of Dyrnes' speech before the Overseas Press Club was issued as a Special with the American Newsfile of March 1.

#### U.S. PRESS CRITICAL OF RUSSIAN FAILURE TO WITHDRAW TROOPS FROM IRAN

Washington, March 4 -- Editorial comment in United States newspapers regarding the Iranian situation is generally critical of Russia's failure to withdraw her troops by the agreed date of March 2, but a New York <u>Herald Tribune</u> editorial today makes the point that the Iranian matter should properly be evaluated in the light of other international postwar problems. The <u>Tribune</u> said in part:

"The new trend toward a friendly firmness, in the face of the disturbing dynamisms of Soviet Russia, seems not to be immediately attended by any very happy results. Russia announced flatly that despite the often reiterated letter of her treaty engagements, Soviet troops are remaining in northwestern Iran, while even the efforts of the western democracies to take a strong hand with Franco's Spain, which might have offered an opportunity for building at least one bridge between the Kremlin and the west, only call down a couple of very tart blasts from Moscow on the ground that these efforts are insufficient and insincere.

"Friendly firmness, to be sure, has not had much time to operate as yet and no one could expect miracles of any formula in this difficult and tempestuous moment of history; but these first results at least show what a tremendous amount of impregnating this formula will call for before it can be translated from the field of words into that of effective international action.

Moscow to demand that the western democracies impose a totalitarian-type -- and probably very bloody -- solution on Spain, in contravention of most of the principles, instincts and social springs of the western democratic system. But with this in mind, one is forced to add that there is also want of realism and lukerwarmness of friendship in the attempt to impose a democratically legalistic solution upon the confused and disorderly situation in Iran, where few of the rules of Anglo-American free government have over run and where western charges of insincerity against Russia are likely to strike the Kremlin about as much as Moscow's

charges of ...

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charges of insincerity in the matter of Spain strike upon western ears.

"We shall have to get down to the basic business of constructing a working relationship between the two great systems -- Russian and western -- which are fixed facts in the world and yet which are so profoundly antithetic in their assumptions, attitudes, definitions and methods. This is the real center of the peace problem."

The New York Times said in part: "The case of Iran, which provided the first serious test of the United Nations Organization, has assumed a new and graver aspect as a result of Russia's refusal to withdraw her troops from that country on the agreed date.... In many respects the Russian action in Iran greatly resembles her similar action in Manchuria.... The Russian Government claims no new agreement or consent by the government involved to justify its action."

The Washington <u>Post</u> said: If any change in the agreement (on withdrawal of troops) on Iran was to be made, certainly it should have come through new Russian-British-American-Iranian negotiations. Russia's lone wolf policy in that part of the world where the interests of other countries are as great as her own is a grave threat to Allied harmony in the postwar period."---USIS.

#### U.S. EXPERT TO ADVISE CHINESE GOVERNMENT

Washington, March 4 -- John H. Blandford, Junior, former National Housing Agency administrator, who today called upon President Truman, later told the press that they had discussed the mission he is to undertake as special advisor to the Chinese Government and to the head of the Executive Chinese Yuan, Dr. T.V. Scong, concerning Chinoso budget problems and government organization.

Blandford said he will leave by air in the middle of this month and will report at Chungking. He said he expects to remain there for at least one year and expects to be accompanied by one assistant, although, he explained, the size of his staff will have to be determined after he reaches China. He added that if there should be any change in the seat of the Chinese Government, his own post will be moved accordingly.——USIS.

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#### ANGLO-U.S.-FRENCH STATEMENT ON FRANCO REGIME IN SPAIN

Washington, March 5 -- The U.S. State Department yesterday released the following joint Anglo-U.S.-French communique on their relations with the present Spanish Government:

America have exchanged views with regard to the present Spanish Government and their relations with that regime. It is agreed that so long as General Franco continues in control of Spain, the Spanish people cannot anticipate full and cordial association with those nations of the world which have, by common effort, brought defeat to German Nazism and Italian Fascism, which aided the present Spanish regime in its rise to power and after which the regime is patterned.

There is no intention of interfering in the internal affairs of Spain. The Spanish people themselves must in the long run work out their own destiny. In spite of the present regime's repressive measures against the orderly efforts of the Spanish people to organize and give expression to their political aspirations, the three governments are hopeful that the Spanish people will not again be subjected to the horrors and bitterness of civil strife.

On the contrary, it is hoped that leading patriotic and liberal-minded Spaniards may soon find means to bring about a peaceful withdrawal of Franco, the abolition of the Falange, and the establishment of an interim or caretaker government under which the Spanish people may have an opportunity freely to determine the type of government they wish to have and to choose their leaders. Political amnesty, return of exiled Spaniards, freedom of assembly and political association, and provision for free public elections are essential. An interim government which would be and would remain dedicated to these ends should receive the recognition and support of all freedom-loving peoples.

Such recognition would include full diplomatic relations and the taking of such practical measures to assist in the solution of Spain's economic problems as

may be practicable in the circumstances prevailing. Such measures are not now possible.

The question of the maintenance or termination by the governments of France, the United Kingdom and the United States of diplomatic relations with the present Spanish regime is a matter to be decided in the light of events and after taking into account the efforts of the Spanish people to achieve their own freedom.—USE. PROMINENT AMERICANS FORM "WIN THE PEACE" ORGANIZATION

Washington, March 4 -- The newly formed "Win the Peace" organization backed by prominent Americans, including 23 congressmen, today laid plans for a national forum in Washington dedicated to the continuance of Allied wartime unity.

Leaders of the group held a press conference in the office of Representative Adolph Sabath, Democrat of Illinois, one of the sponsors, and called attention to the "dangerous anti-Soviet trend" in the United States. The group called for a United States foreign policy that "will show the world that the United States is honestly in favor of permanent peace," Sabath said, and added: "Peace that will cost something is better than any war."

The national "Win the Peace" conference is scheduled by the new organization' for April 5,6 and 7 in Washington. Former ambassador to Russia Joseph Davies and former Secretary of the Treasury Morgenthau are scheduled to speak at the conference. A spokesman for the organization said that the group has no party lines and will invite leaders from all segments of American life to support the drive. The group leaders emphasized that "our organization has no criticism of the State Department's policies. We want to focus the full attention of the nation on the desperate need for winning the peace.... Tomorrow may be too late."---USIS.

#### SPAIN "REPUDIATES FOREIGN PRESSURE"

Washington, March 5 -- It was learned today that the Spanish ambassador to the U.S. delivered the following note to the State Department on March 3:

In view of repeated announcement in the press and radio of this country of the publication of a joint statement of the governments of France, Great Britain and the United States in connection with the Spanish situation, and in the eventuality of its being true that it contains a threat to Spain to force her to change her regime, the Spanish Government wishes to inform the Government of the United States in advance that Spain repudiates any foreign pressure put upon her, since it considers that the question of its interior regime is a matter concerning exclusively its own sovereignty.

"Any further foreign intervention that might appear as a threat to their independence would only serve to heighten the national feelings of the Spanish people, always zealous of the integrity of their sovereignty, the Spanish Government being, therefore, sure that national opinion shares unanimously this repulsing attitude.

"Furthermore, in following this procedure, Spain is convinced that she is lending a positive service to the international community in defending the principle of mutual respect, which is the foundation of its existence."---USIS.

#### HOOVER TO MAKE SURVEY OF EUROPEAN RELIEF NEEDS

Washington, March 5 -- Former President Herbert Hoover, honorary chairman of the new Famine Emergency Committee, will leave for Europe on March 13 to make a survey of that continent's food needs at the request of President Truman, Secretary of Agriculture Anderson announced today.

Hoover, who directed European relief operations after World War One, will be accompanied by Doctor D. A. FitzGerald, deputy member of the Combined Food Board and director of the Agriculture Department's Production and Marketing Administration.

Anderson said the mission would probably require 30 days, and that Hoover and FitzGerald would go first to France. The purpose of the trip, Anderson said, is to ascertain at first hand the actual needs of the war-ravaged areas.---USIS.

The New York <u>Times</u> said: "The dictatorship of General Franco is not merely antediluvian and cruel; it has also a sublime stupidity which has wrecked a nation's economy and polluted its social life in an aimless and shameless grab for power." The <u>Times</u>, however, raised the question of whether the Spanish situation is correctly a matter for UNO. The editorial added:

"Article XXXIV of the UNO charter gives the Security Council the right to investigate any situation which might lead to international friction, but the context indicates that quarrels between states, not situations within states, shall be the causes for action. Even the proposal to cut off relationships with the Franco regime presents the complication that in trying to hurt Franco, we first have to hurt the ragged and hungry people of Spain. Dictatorships are sometimes found to be hollow shells. The best hope is that with the moral support of the whole free world, but without external intervention, Spain's vast majority — estimated as high as 70 per cent — may break the Franco shell and join the ranks of friendly nations."

The New York <u>Herald Tribune</u> did not favor UNO consideration of the Spanish situation. It said that the "Franco dictatorship is hardly any longer a danger in itself to international security, and to bring it as such before the United Nations Organization . . . would be another questionable use of a machinery which has been too much misused already.

"But the regime is a stench in the nostrils to which the western world cannot remain perpetually indifferent... It will remain a weak place in the
fabric of our international society... It is a situation which forbids the
modern, democratic world -- assuming that it believes in its great professions -from lending any aid whatever to this last brutal relic of the Nazi age."

The New York <u>Post</u> did not refer to UNO specifically but said that "Franco can be pushed out of power without violence or civil war by united international action. Franco is already defeated by poverty, drought, the end of Allied and Axis war markets, corruption among his fascists and revolt among the people. Franco is ready to fall."---USIS.

#### U.S. URGES REPRESENTATIVE COVERNMENT IN BULGARIA

Washington, March 5 -- The State Department today released the following text of an aide memoire handed by Benjamin V. Cohen, counsellor of the Department, to Lt. Gen. Vladimir Stichov, Bulgarian representative in Washington, on February 22:

In view of the misunderstanding which appears to exist in certain quarters in Bulgaria as to the position of the United States Government in regard to the decisions concerning Bulgaria taken at the meeting of foreign ministers in Moscow in December 1945, the United States Government desires that the following statement of its views in the matter, which have been made known to the Soviet and British governments, be brought to the attention of the Bulgarian Government:

It is the United States Government's interpretation of the Moscow decision that the Bulgarian Government and the opposition should be urged to find a mutually acceptable basis for the participation in the present Bulgarian Government of two truly representative members of the opposition parties. It was never the understanding of the United States Government that pressure was to be exerted on the opposition to nominate two candidates for pro forms inclusion into the Government without regard to the conditions of their participation.

Although the Moscow agreement did not set forth any specific conditions for inclusion of the two representatives of the opposition, it did, in the view of the United States Government, anticipate that participation of these representatives would be on the basis of conditions mutually agreeable to both the Bulgarian Government and the opposition.

It was, and is, the earnest hope of the United States Government that, in meeting in a spirit of conciliation, representatives of the Bulgarian Government and of the opposition could and would agree to work together on a mutually acceptable basis, which would enable two truly representative members of the opposition parties to participate in the Government.——USIS.

#### U.S. DELEGATION TO INTERNATIONAL FUND AND BANK MEETINGS

Washington, March 5 -- Secretary Byrnes announced yesterday the names of persons who will represent the United States at the first meetings of the board of governors of the International Monetary Fund and International Bank for Reconstruction and Development, scheduled to convene at Wilmington Island, near Savannah, Georgia, March 8. Among the U.S. delegation will be the following:

United States Governor of the Bank and Fund, Fred M. Vinson, Secretary of the Treasury (alternate, William L. Clayton, Assistant Secretary of State);

Fund executive director, Harry D. White, Assistant Secretary of the Treasury; Bank executive director, Emilio G. Collado, deputy on financial affairs to the assistant secretary for oconomic affairs, State Department.

Special Congressional advisers: Robert F. Wagner, chairman, Senate Banking Committee; Charles W. Tobey, member, Senate Banking Committee; Brent Spence, chairman, House Banking Committee; Jesse P. Wolcott, member, House Banking Committee.

Members of the national advisory council: Henry A. Wallace, Secretary of Commerce; Marriner S. Eccles, chairman of the board of govornors, Federal Reserve Board; William McChesney Martin, Junior, chairman, Export-Import Bank board.

Delegation secretary. Frank Coe, director of the monetary research division, Treasury Department.

In addition, there will be 12 technical advisers and two press relations officers.

Under the terms of the Bretton Woods agreements the United States Government will be host to the meeting and President Truman has requested Secretary of Treasury Vinson to serve as temporary chairman of the inaugural session.---USIS.

U.S.-FRENCH CIVIL AVIATION TALKS

Washington, March 5 -- L. Welch Pogue, chairman of the Civil Aeronautics Board, and Stokeley W. Morgan, chief of the aviation division of the Office of Transport Communication Folicy of the State Department, are leaving for Paris today to act as advisers to ambassador Jefferson Caffrey in regard to the bilateral aviation agreement between France and the United States with respect to all phases of civil aviation.---USIS

#### OWMR ADVISORY BOARD ENDORSES BRITISH LOAN AGREEMENT

Washington, March 4 -- President Truman today expressed satisfaction with the backing of the British loan policy given in a resolution by the members of the advisory board of the Office of War Mobilization and Reconversion.

The resolution stated that the board "endorses the financial agreement with Britain, which calls for removal of barriers to trade between this country and the British Empire. The advisory board sees in the British agreement a major opportunity, through expanded world trade, to stimulate world-wide production, jobs and markets which are essential to stable and prosperous postwar economic conditions, and, thus, to world peace itself."

The President said: "I am delighted to know that this policy has the approval of the board. Before the war, the British people were the largest single foreign customer for American goods. They bought our surplus cotton and wheat, tobacco and fruits, and our manufactured products in huge quantities.

"During the war, Britain because of lack of dollars was forced to restrict her trade mainly to the Empire and to the countries tied to the pound sterling. Now that the war is over, we want to do business with Britain and Britain wants to do business with us. With this loan Britain will be able, and has agreed, to abolish the barriers that block our mutual trade.

"This agreement is good business — good business for the industries of America, good business for our farmers, and good business for our workers.

Foreign trade is vitally necessary to an expanding American economy. Our system cannot survive in a contracting economy. The British loan agreement is an important step in rebuilding foreign trade and in creating jobs in America. The alternative to the British loan is trade warfare between nations. Peace can be built only on the foundation of world economic cooperation and stability. The British loan is a cornerstone in the world's structure of peace."——USIS.

#### SNYDER URGES ON CONGRESS NEED FOR MAINTAINING CONTROLS

Washington, March 4 -- War Mobilization and Reconversion Director John Snyder urged Congress to take immediate action to extend the Second War Powers Act for one year beyond its June 30, 1946, expiration date in order to prevent a breakdown of necessary economic controls. Snyder's testimony was read before the House judiciary subcommittee, which opened hearings today on the extension of the Second War Powers Act.

In his testimony, Snyder discussed in detail the section of the Act, which establishes priorities, rationing and allocation powers exercised by such Government agencies as CPA, OPA, and the War, Navy, Interior and Agriculture departments. He pointed out that it was these powers which enabled the United States to meet its foreign commitments of food and other relief needed throughout the world and also to share in world-wide allocation of materials.

"Although we have already dropped most of our export-import controls," Snyder said, "it is vitally important that certain of them be retained, not only that we may fulfill our commitments to other nations, but that we may obtain supplies from abroad which are vital to reconversion."

Although reconversion from wartime to peacetime economy has made "phenomenal gains," Snyder declared, many problems still exist, particularly those resulting from continuing shortages of raw materials and finished goods. Hearding would be inevitable and price pressures would increase, Snyder said, if the Act is not extended.

In conclusion, the OWNR director declared: "A reconversion program which affects the future welfare of all our people, and indeed the peoples of the world, must be flexible. It cannot be if we do not have machinery whereby we can help industry and business to steer the productive machinery of our great enterprises. As in the past, we shall constantly review the powers exercised and we shall eliminate controls whenever in our best judgment the economy can operate without them. That time is not yet. Inflationary pressures are stronger today than they have been at any time since the war started. \*\*--USIS.



# for IMMEDIATE RELEASE American Newsfile

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293 HORNBY ROAD, BOMBAY.

#### TRADE AND COMMERCE REVIEW

SIGNS INDICATE FORLD TRADE REVIVAL IN 1946

Washington, March 6 -- While world trade at the end of 1%5 still suffered from the after-effects of war, signs pointing to a return to more normal conditions in 1946 were increasing early this year.

According to Henry Chalmers, U.S. Department of Commerce consultant, these are the main developments paying the way to normal trade: the international conference on trade and employment, proposed for 19%6; the establishment of the International Monetary Fund and the International Bank for Reconstruction and Development; and particularly the reconstruction loans extended by the United States to several foreign countries.

Secretary of State James F. Byrnes predicted a great importus to world trade from the proposed loan to Great Britain, most important brader of the prewar world. "We can look ahead with considerable confidence," he said before the Foreign Policy Association on February 11, "to a general reduction of tariffs; the elimination of preferences; to a minimum of quotas and embargoes; to intelligent and restrained geveroment subsidies; . . to a loosening of the grips of cartels on world commerce; . . . and to a progressive Minitation of export restrictions," if the loan is approved.

#### Future of U.S. Shipping

The revival of international trade also will be influenced greatly by the reorganization of the world's merchant fleet on release from the Allied wartime shipping pool of the United Latitime Authority. While in London shipping representatives of 18 nations were conferring, in Washington both houses of Congress agreed on a bill outlining the future of U.S. shipping.

The bill empowers the National Government to dispose of more than 40 million gross tons of war-built ships. This applies to 4,750 Government-owned vessels of 1,500 or more gross tons, including about 500 each of the fast Victory and C-type cargo carriers. Vessels not needed by the U.S. Army or Navy may be sold or chartered to U.S. aperators. Ships not disposed of by the end of 1947 will be scrapped or put in heserve for emergency use.

Sale prices....

Sale prices are fixed mainly to avoid a price collapse similar to that after World War I. The prices in percentages of pre-war values are: 87.5 per cent for tankers, 50 per cent for fast cargo ships, 31.5 per cent for the slow Liberty type, which is expected to supply most of the ships to be scrapped.

The Association of American Ship Owners declared itself in favor of complete return of tonnage to private hands. The National Government's view, however, is said to aim at a solution whereby vast U.S. tonnage would remain available for food shipments to war-ravaged countries.

As to rates in international and coast-wise traffic, Frank J. Taylor, president of the American Merchant Marine Institute, declared that a general upward revision would be necessary to compensate for higher labor and operating costs; he also favored a review of deferred rebates.

While such questions are pending, U.S. shipping is readying its fleet particularly for competition with air transport. Passenger liners now available to private companies, in the words of the Vice-Chairman of the U.S. Maritime Commission, Vice Admiral Howard L. Vickery, are "virtually obsoleto." To correct this shortcoming, a building program is under way which will add to the United States post-war fleet within the next three years 89 passenger and combined cargopassenger ships totalling 1,200,000 gross tons, and accommodating 14,000 to 15,000 passengers and 700,000 dead weight tons of cargo. Some of the ships are already under construction. For the trans-Atlantic and south Atlantic runs, fast, streamlined ships of modern design are planned. The total merchant fleet emerging for postwar use is by some experts predicted to reach 12 to 15 million tons in active service, as compared to 11,500,000 before the war.

#### Civil Aviation Expansion

Increase of trans-oceanic air traffic is envisaged as a result of the agreement reached by the American and British air conference at Bermuda, February 11. United States carriers are permitted to fly to Britain as frequently as the U.S. Civil Aeronautics Board will allow; American planes en route from other countries may pick up passengers in England; air rates will be subject to regulations of both governments. In addition, world-girdling air lanes were established giving the British five routes and landing rights in the United States, the U.S. 13 routes and landing rights in British territories. The agreement is to take effect after an exchange of executive notes.

United States airlines are planning conversion to advanced equipment with substantial financing transactions involved.

A recent survey among the country's air carriers showed that Transcontinental and Western Airlines obtained 30 million dollars in the form of an insurance loan for new aircraft; American Airlines and its trans-ocean subsidiary have contracted new planes for 18 million dollars; United Airlines announced plans amounting to about 53 million dollars; Pan-American Airways is considering purchases of from 10 million to 140 million dollars, depending on the availability of new routes. These and other airlines will be able to finance the expansion largely by means of their own, but may appeal to public financing in 1947.

Domestic air traffic capacity was boosted by 1,500 to 2,000 seats on transcontinental flights after the U.S. Office of Defense Transportation rescinded its order to reserve 70 per cent of space for returning servicemen.

#### Metals Situation

Raw steel output in the second week of February was 6.5 per cent of rated capacity, with steel production lost during the strike estimated at 4,500,000 tons. The volume of steel orders, however, was said to be quite heavy, reflecting the consumer's desire to attain preferences on order books for the resumption of deliveries. Because full production and distribution of steel is not expected before four to six weeks after resumption of work, the U.S. Civilian Production Administration is releasing priority rating for most essential uses only gradually, in step with production increases. Mills and warehouses will be asked to continue voluntary rationing.

Increased demand for light metals may result from a further narrowing of the price margin between light metals and steel. Higher steel prices, the industry argues, will induce automotive, railroad and construction equipment producers to use light metals on a larger scale. Additional impetus for such development would come from a predicted further reduction of the aluminum price to ultimately ten cents per pound, as against 15 cents at the present time and 20 cents before the war. (A cent is about half an anna).

Crude copper production in January amounted to 57,890 tons, or 72 per cent below December level. Refined production, however, gained nearly five per cent to 69,008 tons, reducing blister stocks to 11,118 tons. Domestic deliveries of copper to consumers amounted to 115,601 tons in January, as compared to 103,464 tons in December and 119,973 tons in November 1945.

#### Textile Demand Exceeds Supplies

Production of industrial cotton fabrics is expected to gain five to eight per cent in 1946, but the demand, up to 40 per cent above the prewar level, will not be met by supplies before the end of the year. Mills which had converted to military requirements find it more profitable to keep their looms unchanged and to produce civilian cloth rather than to reconvert to industrial fabrics.

U.S. merchandise exports declimed to 8,261 million dollars in the first ten months of 1945, off 33 per cent from the corresponding 1944 period, the U.S. Commerce Department reported. The decrease reflected the drop in lend-lease shipments, which amounted to 5,245 million in the initial ten months of 1944. Imports in the 1945 period rose to 3,433 million, or eight per cent above the same months of 1944.---USIS.



### IMMEDIATE RELEASE

## American Newsfile

THE UNITED STATES INFORMATION

Washington, March 5 -- Fifteen documents revealing Spanish collaboration with the Axis powers during the war and definite intentions of Franco Spain to enter the war against the Allies were made public yesterday in a 37-page paper released by the State Department. The paper includes documents labelled "strictly secret" that were transmitted by Franco and Spanish Government officials to Hitler and Mussolini. The names of Spanish interior minister Serrano Suner, former Italian foreign minister Count Ciano, and German foreign minister Joachim von Ribbentrop figure prominently in the secret documents showing that Spain's interests were fully on the side of the Axis powers.

In one document dated August 8,1940, the German ambassador to Spain, von Stohrer, reported that Spain had offered to enter the war on the side of Germany and Italy when the time was most expedient.

Another message from Spanish leader Franco to Hitler told of his plans to all the Axis and said one of the principal aims would be the early capture of Gibraltar from the British, thus cutting the British life-line in the Mediterranean. In a letter dated September 22,1940, France pledged Hitler "unchangeable and sincere adherence to you personally, to the German people and to the cause for which you fight." Extracts from the letter follow:

"One: In regard to your trains of thought set forth in point one, concerning the political and economic effects of the present struggle, I can only say to you that I have agreed from the first day on with your opinion expressed there. Only our isolation and the lack of resources most indispensable for our national existence made our cooperation impossible I am in agreement with you that driving the English out of the Mediterranean Sea will improve the condition of our transports....

I am, likewise, of the pinion that the first act in our attack must consist in the occupation of Gibraltar. In this sense our military policy in the straits since 1936 has been directed by anticipating the English intentions of expanding and protecting their bases I agree with your opinion that it is possible to aim at the success of this operation within a few days by the use of modern equipment and tried troops. In this sense, the equipment which you offer me will be of great effect. For our part, we have been preparing the operation in secret for a long time, since the area in which it is to take place has no suitable network of communications....

"Three: The Kall of Gibraltar would actually protect the western Mediterranean and mile out any danger, except the dangers which might arise in passing should de Gaulle succeed with his plans for rebellions in Algiers and Tunis. A concentration of

concentration of our troops in Morocco will prevent this danger ....

Four: I completely share your opinion about the effectiveness of divebombers for the defense of the coasts, as well as about the actual impossibility of establishing fixed artillery emplacements with heavy material on the vulnerable points on the coast... In any case, the strong air forces offered by you are indispensable.

Five: At the present moment, there is actually little probability of the English undertaking a landing attempt on the peninsula. Even if this should be the case, our own resources and those which you offer me would quickly ruin this plan.

"Six: The possibility of a surprise attack on the Canary Islands by the English in order to create a naval base for themselves to protect overseas connections has always been a worry of mine.... I consider the presence of divebombers and destroyer planes in Las Palmas extremely useful, for which bomb material and spare parts must be sent in advance.

"Seven: Obviously freedom of movement in the western Mediterranean is dependent upon Italian successes in Alexandria and the Suez, by which the destruction of the English fleet in these waters will be made possible. By such a move, a great part of our provisioning problem would be solved.

"Eight: The economic aid which you offer me, with such foresight and in the highest measure possible for Germany, is just as important as the military equipment. For our part, I offer you reciprocal aid of the same type and to the greatest extent possible considering our potentialities....

"I would like to thank you, Der Fuehrer, once again for the offer of solidarity. I reply with the assurance of my unchangeable and sincere adherence to you personally, to the German people and to the cause for which you fight. I hope, in the defense of this cause, to be able to renew the old bonds of comradeship between our armies..."

#### Loyal Follower Of Axis Cause

In another letter to Hitler, dated February 26,1941, Franco wrote: "I shall always be a loyal follower of your cause." Excerpts from this letter follow:

"I consider, as you yourself do, that the destiny of history has united you with myself and with the Duce in an indissoluble way. I have never needed to be convinced of this, and, as I have told you more than once, our civil war since its very inception and during its entire course is more than proof. I also share your opinion that the fact that Spain is situated on both shores of the strait forces her to the utmost enmity towards England, who aspires to maintain control of it.

"We stand today where we have always stood, in a resolute manner and with the firmest conviction. You must have no doubt about my absolute loyalty to this political concept and to the realization of the union of our national destinies with those of Germany and Italy. With this same loyalty, I have made clear to you since the beginning of these negotiations the conditions of our economic situation — the only reasons why it has not been possible up to now to determine the date of Spain's participation....

"I want

"I want to dispel all shadow of doubt and declare that I stand ready at your side, entirely and decidedly at your disposal, united in a common historical destiny, desertion from which would mean my suicide and that of the cause which I have led and represent in Spain. I need no confirmation of my faith in the triumph of your cause and I repeat that I shall always be a loyal follower of it."

German ambassador Stohrer in a "strictly secret" report to Berlin on August 8,1940, said he had every assurance of Spain's entry into the war. The document read in part:

"According to a memorandum presented in June of this year by the Spanish embassy, the Spanish Government declares itself ready, under certain conditions, to give up its position as a non-belligerent state and to enter the war on the side of Germany and Italy. The Spanish foreign minister and also the minister of the interior have until the last few days repeatedly pointed out this Spanish offer to me, so that it may be assumed that Spain even today will keep its promise made in June."

#### Terms Of Spanish Entry Into War

As conditions for entry into the war, the Spanish Government cited the following:

- (1) Fulfilment of a set of national territorial demands -- Gibraltar, French Morocco, that part of Algeria colonized and predominantly inhabited by Spaniards, Oran, and further the enlargement of Rio de Ora and of the colonies in the Gulf of Guinea.
- (2) Making available military and other assistance required for carrying on the war.

In a letter to Mussolini in August 1940, Franco told how Spain was making "the greatest efforts" in its preparation to enter the war on the side of the Axis at a "favorable opportunity." Franco admitted, however, that severed communications between Spain and the Axis countries and a shortage of vital supplies was delaying Spanish aid. The letter praised the German gains in Flanders and pictured the Axis horizon as "bright with victory."

Mussolini replied that he had known from the start that Spain eventually would help make the "history of the future" by joining the two "victorious Axis powers." At the same time Mussolini sympathized with Franco over his domestic problems caused by the Spanish civil war and said he appreciated the fact that Franco would consider first the interests of his own people. While saying that he did not want to hasten Franco's decision, the Duce offered the advice that "your domestic economic conditions will not get worse when you change from non-belligerency to intervention."

#### Capture Of Gibraltar Planned

Plans for the Axis capture of Gibraltar were discussed at a meeting of Spanish minister of interior Suner and Hitler in Berlin in September 1940. The Spanish envoy assured Hitler that Spain was ready to enter the war "whenever her supply of foodstuffs and war material was secured." Suner delivered a message from Franco, in which the Caudillo expressed "his gratitude, sympathy and high esteem," and emphasized to him his "loyalty of yesterday, of today and for always.

Hitler emphasized that England was beaten and that her only military chance now lay in the possibility of an attempt to alienate the French colonies in North Africa from the Petain Government and use them as a new position for the continuation of the war.

In this connection, Suner pointed to the Spanish fear concerning an English landing on the Iberian coast and mentioned that communistic elements in the population of Asturia would render the situation very complicated in the event of such a landing attempt.

Hitler replied he could set Suner's mind at rest on the basis of landing experiences in Norway, where the entire population had been on the side of the English, and the latter, in spite of that, could achieve no success.

#### Pucling Bases Provided For German Destroyers And U-Boats

A telegram from German ambassador Stohrer in Madrid to Berlin in December 1940 stated: "The Spanish Government has agreed to the placing in readiness of German tankers in out-of-the-way bays of the Spanish coast for the supplying of German destroyers with fuel."

A later German foreign office memorandum said that "the Spanish Government has already shown similar obligingness in supplying German U-boats."

In February, 1941, a letter from Hitler to Franco indicated that the Nazi leader was getting worried over Spain's delay in entering the war. While Hitler admitted that no time limit was set for Spain's entry into the war, he said he doubted whether Spain could gain by holding out much longer. He pointed out in the letter: "Germany has declared herself ready to deliver to Spain, immediately after undertaking entrance into the war, food as well as grain to as great an extent as possible."

Hitler warned at the same time: "We are fighting a battle of life and death and cannot at this time make any gifts. If it should later be asserted that Spain could not enter the war because she received no supplies, that would not be true."

#### Secret Protocol On Resistance To Allied Landings

One of the documents is a secret protocol between the German and Spanish governments, dated February 10,1943. It said:

"At the time in which the intention of the German Government to deliver to the Spanish army in the shortest time possible arms, war equipment, and war material of modern quality and in sufficient quantity is to be realized, the Spanish Government, at the request of the Reich Government, declares that it is determined to resist every entry by Anglo-American forces upon the Iberian peninsula or upon Spanish territory outside of the peninsula—that means, therefore, in the Mediterranean Sea, in the Atlantic and in Africa as well as in the Spanish protectorate of Monaco—and to ward off such an entry with all the means at its disposal. Both parties obligate themselves to keep this declaration absolutely secret."

In December, 1943, the then German ambassador, Dickoff, warned Franco that Berlin considered it a very dangerous policy for Spain to make concession after

concession to the English and the Americans. Franco replied that there was no question of the Spanish foreign policy changing. He emphasized that he was hoping with all his heart for a German victory and his only wish was that this victory would come as soon as possible. However, the Caudillo admitted that Spain was in a "difficult position" and had to pursue a more "cautious policy." He said this cautious policy, however, was not only in the interests of Spain, but "also in the interest of Germany." He added that he was making only the minimum concessions to the Allies.---USE.



### FOR IMMEDIATE RELEASE

## American Newsfile

#### ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

#### LETTER FROM AMERICA

#### U.S. AUTOMOTIVE AND BUILDING INDUSTRIES PLAN TO HELP VETERANS

Washington, March 3 -- Unique plans to aid the returning veteran in the United States are being put into effect currently through cooperation between community, industry and education. The programs at the Ford Motor Company in Dearborn, Michigan, and in the building industry are typical instances of the methods being sought, found and put into practice throughout the country.

At the Ford plant over 9,000 World War Two veterans are working under two "earn while you learn" training programs. The majority of the veterans are using the opportunity afforced by Ford doalers in the automotive mechanics training course. Some are enrolled in the training program intended to qualify them to head dealerships of their own.

During the training course in automotive mechanics, the veteran receives a monthly allotment from the Federal Government in addition to his wages from the dealer. Ford dealers believe that a veteran who successfully completes the two-year course will have a future as an automotive mechanic. The veterans in the dealership program become pert of the dealer's organization and receive experience in all the phases of sales and service. The veteran takes a choice of office or parts department, and receives full pay during apprenticeship.

#### Universities To Have Special Dogree Courses

To help the veterans who plan to follow careers in the building industry, colleges in various parts of the United States have joined in a movement to establish courses leading to Enchelor of Science degrees in light construction, marketing and engineering.

The concerted effort to train young men in this field has the joint sponsorship of the building industry, building material men and educational institutions on the basis that a wide opportunity has been opened in this field of work by the big backlog of demand for housing.

Twenty-one colleges will participate in the program. The preparation calls for studies in fields as wide apart as aesthetic design and sewage disposal, concrete mixing and psychology of human relations. Classes will cover construction supervision, commercial arts and display techniques, identification and grading of materials, financing, taxation, techniques of foremanship, accounting, market analysis, blueprint reading, office procedures and management, zoning,

appraising, contracts, industrial relations and other subjects.

#### Public Opinion Poll Is Political Thermometer

The public opinion poll has become an important national information tool in the United States where opinion of the people is reflected in political choices at election time and is also avidly followed by public officials and legislators. Among polls of the highest standing in the United States are the Elmo Roper Poll published by Fortune magazine, George Gallup's American Institute of Public Opinion Poll and the National Opinion Research Center of Denver University.

This week a Gallup Poll summary of recent samplings on political trends reports President Harry S. Truman still enjoys approval of the majority of all voters. Truman holds 67 per cent of "rank and file" Democratic votes. Truman's loss of some support since last summer comes mainly from normal Republican voters who were favorable to him then. The public considers strikes and labor legislation as the most important issue in the 1946 election. Favorite Republican leaders are Governor Thomas E. Dewey of New York with 38 per cent, Harold Stassen of Minnesota with 27 per cent and former vice-presidential candidate John Bricker of Ohio with 8 per cent.

The Democratic Party's greatest support comes from the middle and lower economic levels, from about two of every three young voters whose view approximate those of veterans and from organized labor. The important "independent" vote leans to the Democratic Party by 57 per cent. Major Republican strongholds are moving westward with Kansas presently "the most Republican state."

#### Roosevelt Tops The List Of America's Great Men

A survey conducted by the National Opinion Research Center of Denver, Colorado, throws interesting light on the nature of the American people's judgment of their great men. The question was carefully phrased to have those interviewed assume a historical mood so that answers would not be influenced too much by the proximity of the living great men or those who recently died. The question read: "In all the history of the United States whom do you regard as two or three of the greatest men who have ever lived in this country?"

Totals were 61 per cent for Franklin D. Roosevelt, 57 per cent for Abraham Lincoln and 46 per cent for George Washington. Others were Thomas A. Edison in the fourth place with 11 per cent, Woodrow Wilson eight per cent, General Dwight Eisenhower seven per cent and Thomas Jefferson six per cent.

Analysis of the figures reveals that only a similar poll conducted many years from now can provide a conclusive answer as to whether the Roosevelt vote would be increased or decreased by the passage of time to let his administration and life be put in a historical perspective similar to the lives of Washington and Lincoln. The results bear out the findings of the last three presidential elections: that Roosevelt's popularity was greater among women than men and greater among the young than the old.

The fact that 50 per cent of Roosevelt's traditional opponents, the prosperous, selected him as a historically great man is surprising. Even more surprising is the fact that 50 per cent of those who voted Republican in 1944, nevertheless regarded Roosevelt as one of the United States' all-time greatest of men.

Further interesting

Further interesting results of the poll reveal that the United States chooses its greatest leaders from the presidential rolls. The first three chosen, each with overwhelming lead over all other nominees were Presidents, as were five of the first seven. The time difference between the first three is remarkable: Washington became the first President 72 years before Lincoln assumed office in 1861, which was also exactly 72 years before Roosevelt assumed office.

The poll also showed that political achievement or statesmanship is singled out for greatness by 37 per cent, military leadership by 16 per cent and science and invention by 13 per cent.---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

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The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 8, 1946

#### TEXT OF U.S. NOTE TO RUSSIA ON IRAN

Washington, March 7 -- Following is the text of the note delivered by the American Charge d'Affaires, George F. Kennan, upon the instruction of Secretary of State Byrnes, to the Soviet Government at Moscow March 6:

I have the honor to inform Your Excellency that I have been instructed by my Government to deliver to the Government of the Soviet Union the following message:

"The Government of the United States has been informed that the Government of the Soviet Union has decided to retain Soviet troops in Iran after March 2, 1946; that this decision was taken without the consent of the Iranian Government; and that Soviet troops continue to remain on Iranian territory in spite of the protests of the Iranian Government.

"It will be recalled that in reply to a note addressed on November 24, 1945, by the Government of the United States to the Government of the Soviet Union suggesting the immediate withdrawal of all foreign troops from Iran, the Soviet Government on November 29 stated that the period of the stationing of Soviet troops in Iran was governed by the Anglo-Soviet-Iranian treaty of January 29, 1942. The Government of the United States understood from this

statement that it was the intention of the Government of the Soviet Union that all Soviet troops would be withdrawn from Iran not later than March 2, 1946, six months after the date of the signing of the instrument of surrender with Japan on September 2, 1945. This understanding was based upon Article V of the tripartite treaty referred to above which states:

The forces of the Allied powers shall be withdrawn from Iranian territory not later than six months after all hostilities between the Allied powers and Germany and her associates have been suspended by the conclusion of an armistice or armistices, or on the conclusion of peace between them, whichever date is earlier.

#### London Discussions Recalled

"So far as the Government of the United States is aware, this commitment was not questioned at the recent meeting of the Security Council in London, which agreed that the Soviet Union and Iran should seek a solution of their differences by direct negotiation.

"The decision of the Soviet Government to retain Soviet troops in Iran beyond the period stipulated by the tripartite treaty has created a situation with regard to which the Government of the United States, as a member of the United Nations and as a party to the declaration regarding Iran dated December 1, 1943, cannot remain indifferent. That declaration announced to the world that the Governments of the United States, the Union of Soviet Socialist Republics and the United Kingdom were at one with the Government of Iran in their desire for the maintenance of the independence, sovereighty and territorial integrity of Iran.

"In the opinion of the Government of the United States, the maintenance of troops in Iranian territory by any one of the three signatories to that declaration, without the consent and against the wishes of the Government of Iran. is contrary to the assurances contained in that declaration.

"Furthermore, it was generally accepted during the various discussions which took...

which took place at the meeting of the Security Council in London that the retention by a member of the United Nations of its troops in the territory of a country which is also a member of the United Nations, without the consent of the government of that country, is not in accordance with the principles of the United Nations and that the withdrawal of such troops should not be made contingent upon other issues.

"The Government of the United States, in the spirit of the friendly association which developed between the United States and the Soviet Union in the successful effort against the common enemy and as a fellow-member of the United Nations, expresses the earnest hope that the Government of the Soviet Union will do its part, by withdrawing immediately all Soviet forces from the territory of Iran, to promote the international confidence which is necessary for peaceful progress among the peoples of all nations.

"The Government of the United States trusts that the Government of the Soviet Union, no less than itself, appreciates the heavy responsibility resting upon the great powers under the charter to observe their obligations and to respect the sovereign rights of other states.

"The Government of the United States requests that it be promptly advised of the decision of the Government of the Soviet Union, which, it hopes, will be in accord with the views herein expressed."---USIS.

#### FRANCE SEEKS UNO ACTION ON SPAIN

Washington, March 7 -- State Department secretary Nichael McDermott today told the press that the United States Government is studying two notes from France, one proposing to submit the Spanish question to the UNO Security Council and another regarding the future status of the Ruhr and Rhineland.

McDermott said that the Allied Reparations Committee will take another four to six weeks to complete its task.----USIS.

#### EXTERNAL ASSETS OF GERMANY TO FORM PART OF REPARATIONS

Washington, March 7 -- Disposition of some 750 million dollars worth of German-held assets in Switzerland will be discussed at a conference of the United States, British, French and Swiss officials scheduled to open here March 15. The conference's objectives will be to obtain Switzerland's acceptance of a decree by the four-power Allied Control Council in Germany vesting ownership of all German assets abroad in the German External Assets Committee established by the Control Council, and to work cut means of liquidating these assets, which are to be assigned to the reparations accounts of the United States, Britain and France, so that Germany will be unable to regain control.

Randolph Paul, formerly general counsel of the Treasury Department, who was appointed special assistant to President Truman last week, will represent the United States at the conference. Walter Stucki, a high official of the Swiss Federal Council, will represent Switzerland, and Britain and France will be represented by officials of their respective financial missions in Washington.

A similar conference is scheduled to be held in Washington later this spring with Sweden, where German-held assets are reported to total 500 million dollars, and other steps are planned to deal with German assets in Spain, Portugal, Argentina, and other Latin American countries.

The Soviet Union -- since it does not maintain diplomatic relations with Switzerland -- will not be represented at the conference, although a Russian observer may be sent to the subsequent conference with Sweden. It will be recalled that the Allied Council has assigned the German assets in Switzerland, Sweden, Spain and Portugal to the reparations account of the United States, Britain and France, leaving those in eastern Europe to Russia.---USIS.

#### NEW U.S. AMBASSADOR TO BELGIUM

Washington, March 7 -- Vice Admiral Alan G. Kirk, new U.S. ambassador to Belgium, will leave for his new post about the middle of March, it is announced. Kirk, who took the oath of office March 4, succeeds Charles Sawyer, who resigned recently to return to private life.---USIS.

#### JAPAN ALLOWED SUFFICIENT EXPORTS TO MAINTAIN SUBSISTENCE ECONOMY

Washington, March 7 -- General MacArthur, Supreme Commander for the Allied powers, will have complete operating responsibility for all Japanese exports and imports under the interim plans prepared by the United States Government for the control and regulation of Japanese trade with the United States, the State Department has disclosed. The international aspects of Japanese trade control are still being studied and informal negotiations with other countries are underway, the Department said.

Foreign trade with Japan eventually will be restored to private hands, but during the interim period, Japanese exports to the United States will be handled through the United States Commercial Company, a subsidiary of the Reconstruction Finance Corporation. The War Department will continue to do most of the procuring of imports.

In order that Allied nations may be consulted on problems of allocating

Japanese exports and procuring imports, the United States will shortly submit to

the Far Eastern Commission proposals for the establishment of an Inter-Allied

Trade Committee, the Department said.

One factor preventing resumption of private handling of foreign trade is the basic financial instability and disorganization of Japan, which render it impossible to establish a commercial rate of exchange, the announcement said. Another reason for the program, the announcement said, was the tight controls over foreign trade which were required in order to assure that selected Japanese exports are maximized in order to provide funds for essential imports necessary to prevent disease and unrest.

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The Department said it is expected that exports of raw silk will begin at an early date with 40,000 bales now on hand and an additional 10,000 bales expected to become available every month. Cotton textiles are Japan's second major expert possibility. Output will be limited by the loss of spindles during the

war, however, and the major problem is the supply of cotton. Arrangements are nearly completed for shipping cotton owned by the Commodity Credit Corporation, and discussions are in progress with India concerning her possible participation in the program,

The announcement concluded: "In general, it is the United States policy to encourage reliance by Japan on the export of goods with no military or security significance to procure foreign exchange which she must have if she is to pay for food, fertilizer and other essential imports required to maintain a subsistence standard of living, and if the burden on the occupation forces is not to be increased. To this end production and export of such items as silk and tea, ceramics, coarse grades of textiles, art and other handicraft articles are receiving encouragement from this Government, though of course no financial aid has been or will be provided by us in the rebuilding of Japanese facilities for producing exports."——USIS.

#### FAR EASTERN COMMISSION SETS UP COMMITTEES

Washington, March 6 -- The Far Eastern Commission announced that at its weekly meeting today it made substantial progress toward the establishment of committees and allotment to committees of its work. The Commission decided that henceforth Russian, Chinese and French will be recognized with English as official languages at the meetings of the Commission and committees.

The steering committee will meet next Friday morning, March 8. The Commission will hold its third meeting Thursday, March 14.---USIS.

#### U.S.-FRENCH FINANCIAL TALKS POSTPONED

Washington, March 6 -- Treasury Secretary Vinson revealed yesterday that the discussions which were scheduled to begin this week between representatives of France and the United States on the external financial requirements of France have been postponed owing to the illness of M. Leon Blum. Vinson said it was anticipated that the French delegation, headed by M. Blum, would arrive in Washington later in the month. --- USIS.

#### TRUMAN ISSUES AMENDED ORDER ON LANDS WITH RADIO-ACTIVE MATERIAL

Washington, March 7 — The White House today released the text of the executive order signed by President Truman March 4 restoring all public lands in the United States, including Alaska, to entry and other forms of use and disposal, except those lands containing substantial deposits of fissionable materials, such as uranium.

The now order rovokes the order issued on Soptember 13, 1945, which withdrew and reserved for the use of the United States Government all public lands and acquired lands belonging to the U.S. containing radio-active mineral substances. The change was recommended by the Interior and Agriculture departments and the surplus property administrator, which had found the provious order unnecessarily restrictive, the White House said in announcing the new order.

The new order provides that, even where public lands contain fissionable materials, they may be disposed of under applicable land laws with the provision that the United States can reserve the right to the minerals in the land together with the right to enter upon the land and mine and remove such minerals.

The order also permits leasing of public lands or their resources or other authorization for their use, providing that every lease, permit or authorization which grants any right to remove minerals, or which otherwise might proclude Government from entering upon the land and removing minerals, contains reservation of fissionable materials in the land and of the right to prospect for, mine and remove such materials. Acquired lands, as distinguished from public lands, are likewise released with similar reservations.

The order stated: "The term 'fissionable materials' as used in this order means: (A) all deposits from which substances known as therium, uranium (including uranium enriched as to one of its isotopes) and elements higher than uranium in the periodic table can be refined or produced; and (B) all deposits from which there can be refined or produced other substances determined by the President by

executive order . . .

executive order to be readily capable of or peculiarly related to transmutation of atomic species, production of nuclear fission, or release of atomic energy."

Lands released by the order are subject to application on the twenty-eighth day from the date of signing of the order, with veterans having preference.--USIS.

#### PAN-AMERICAN CONFERENCE MAY BE POSTPONED

Washington, March 6 -- The Pan-American Union governing board decided unanimously tonight to consult the American republics on the postponement of the proposed Rio de Janeiro conference, originally scheduled to take place between March 15 and April 15. The action was taken on a resolution offered by the Uruguayan delogate, Mateo Marques Castro.

The resolution suggested that a new date be fixed by Brazil, the host nation. Spruille Braden, United States delegate to the board, did not participate in the discussion of the resolution. The Union announced that President Truman would address a special meeting of the board on April 15, commemorating the sixteenth anniversary of Pan-American Day.---USIS.

#### U.S. DELEGATE TO UNO PREPARATORY COMMISSION RESIGNS

Washington, March 6 -- The State Department today announced the resignation of Adlai Stevenson, senior advisor to the United States delegation to the UNO General Assembly and acting United States delegate to the Preparatory Commission. In a letter to Secretary of State Byrnes dated Earch 4 Stevenson said that he feels he has completed his mission in helping organize the United Nations, and now wishes to return to his home near Chicago. In his reply dated today Secretary Byrnes thanked Stevenson for his "distinguished services" and declared he had "helped greatly to get the United Nations started as a going concern."---USIS.

#### 996 ENEMY SUBMARINES FIERE SUNK

Washington, March 7 -- The Navy Department announced today that according to the British Admiralty and J.S. Navy Department U-boat assessment committees, enemy submarines destroyed from all causes of Vorld War Two totalled 996, including 781 German, 85 Italian and 130 Japanese.---USIS.

#### BENTON EMPHASISES IMPORTANCE OF CULTURAL EXCHANGE AMONG NATIONS

Los Angeles, March 7 -- Assistant Secretary of State William Benton, in a speech here yesterday, outlined a "continuous two-way cultural and information-al exchange between the United States and other nations" and said that it may "eventually do more for world security than a fleet of battleships, and at a tiny fraction of the cost."

"I am here to discuss the most urgent and important and difficult task we face," he said, "of how to advance the cause of understanding among the peoples of the world. The contribution which any one group, any one agency, or any one government can make to this task is puny when it is measured against the staggering immensity of the problem. This is a task to which every civilized man must dedicate himself and every civilized man is not a man too many."

Benton said the first task was to support United States participation in the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the second task was to carry out the President's directive to present abroad a "full and fair picture of American life and of the aims and policies of the United States Government."

Benton said that the preliminary conference at London last fall agreed that UNESCO should stimulate the use of mass media of education -- radio, press and motion pictures -- rather than concentrate on cooperation among scientists, scholars and technical experts, as with its predecessor organizations.

Outlining the U.S.information program, Benton said: "This program is designed to help replace the ignorance and suspicion that now exist throughout the world about the United States with knowledge and understanding.

former rulers who plunged the world into war: They might well have been power-less if their peoples had known the truth about the United States. War was made possible by the lack of knowledge of the peoples of Germany, Italy and Japan of the potential military power of the United States. They did not know that we

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were powerful -- powerful beyond their wild dreams of their own strength. They were told that we were weak and divided, our economy out of kilter, our people starving, and they believed it.

"The fighting is over, but that great lesson from the war is before us today. Another war seems certain if the peoples of the world again think of us in the same way. All of our treaties, all our international organizations, all our material aid, will mean nothing without the accompanying knowledge by other peoples of the realities of the United States."

Benton gave three reasons why the need for understanding is more important now than ever before:

One -- New international collaboration in which the United States is now engaged extends to almost every field of human activity, beyond the traditional aspects of foreign relations, to transportation, communication, education, health, agriculture, the fine arts and science.

Two -- The position of America in the world today, with gigantic resources, industries, agricultural development and scientific achievements make

America's domestic internal activities important to the whole world as a keystone in the arch of world economy.

Three -- The nature of the American democratic system, with its disagreements and individual liberty, is bewildering to a world emerging from the threes of authoritarianism, making it easy for foreigners to get an impression of America as a land of strife and discord.

"It is the absence of fundamental knowledge about the United States which imperils us," Benton said, and added: "Sometimes it is possible for a specific distortion to be created, either accidentally or deliberately, which will gain acceptance by repetition unless it is corrected. More often, however -- and in this process Dr. Goebbels excelled -- existing stereotypes or cliches about America are deepened and confirmed.

#### Myths About America

"These myths about America, which sometimes appear to be fostered deliberately for internal or external political reasons, are based on inadequate knowledge of the facts about American history and American institutions. They can be dissolved only gradually by patient effort on our part, not to persuade, but to keep the facts in full view abroad. . .

"American press services send spot news to many countries, but in most cases in abbreviated form. Yet there is a pressing need for foreign editors to have before them the full texts of, or full excerpts of, official United States documents as well as speeches by members of Congress, American editorial opinion and the like. Unless the United States Government assumes the responsibility for providing this documentary material, the top officials, editors and broadcasters of other countries do not get it, nor do members of parliamentary bodies. . .

"Still another vital need for the benefit of the United States is direct short-wave radio broadcasting of news and background material. This is particularly important today to the many areas which receive nothing at all or very little directly from the United States in any other form. . . .

"Finally there is a program for exchange of persons -- students, professors, technicians and distinguished persons. Some 10,000 foreign students will study in the U.S. this year, the great majority of them paying their own way. Of all the elements of the program I have cutlined for the long pull, I am most hopeful about this one.

"I am using no empty figure of speech when I say that the fuse of disaster is lit and burning steadily. If areas of mass ignorance and ill-will are permitted to remain in the world, and if the fuse reaches and inflames them, these may act as detonators for an explosion that could engulf us all. Hope for the future lies in eliminating areas of mass ignorance and ill-will. We must combat them as never before."---USIS.

#### BIG THREE AGREEMENT REACHED ON GERMAN MERCHANT FLEET

Washington, March 7 — The United States, Britain and Russia have approved the recommendations of the tripartite Merchant Marine Commission set up to determine disposal of Germany's merchant fleet, and transfer of the ships is now taking place. The report of the Commission, released simultaneously in Washington, London and Moscow, said:

At a conference held at Berlin between July 17 and August 2, 1945, the governments of the Union of Soviet Socialist Republics, the United Kingdom and the United States of America agreed that the German merchant marine should be divided equally among the U.S.S.R., the United Kingdom and the United States, excluding inland and coastal ships determined by the Allied Control Council for Germany to be necessary for the maintenance of German peace economy. It was further agreed that the United Kingdom and United States of America would provide out of their shares of the surrendered German merchant ships appropriate amounts for Allied states whose merchant marines suffered heavy losses in the common cause against Germany, and that the U.S.S.R. would provide out of its share for Poland.

For the purpose of dividing German merchant marine into three initial shares, the three governments agreed to constitute a tripartite Merchant Marine Commission to submit to them agreed recommendations for allocation of specific German merchant ships and to handle other detailed matters arising out of the agreement.

The commission was accordingly established and met at Berlin from September 1 to December 7, 1945, when it prsented its report for the three governments approval.

The report makes detailed provision for dividing a total of approximately 1,189,600 gross registered tons of sea-going German merchant shipping between the three powers, in shares based on a valuation of the tonnage at the 1938 building prices, after making allowance for depreciation. Ships so allocated represent

a total value on this basis of over 20 million pounds sterling (about Rs. 26 crores). The report provides for retention of a further 200,000 deadweight tons, consisting entirely of ships under 2,250 deadweight tons, for the maintenance of the German peace economy.

The report also includes recommendations concerning the very early delivery of the vessels allocated and other subsidiary questions.

The report and recommendations of the Commission have been approved by the governments of the U.S.S.R., the United Kingdom and the United States and the transfer of vessels is now taking place.

The German fishing fleet, dredger fleet, port facilities and inland water transport will form the subject of a separate announcement.---USIS.

#### RUSSIA SENDING OBSERVER TO FINANCIAL CONFERENCE

Washington, March 7 -- Delegates and observers of at least 43 nations will meet tomorrow at Wilmington Island near Savannah, Georgia, to establish the International Monetary Fund and the International Bank for Reconstruction and Development, the State Department said today.

All 45 nations which were represented at the Bretton Woods Conference were invited to send representatives to the Savannah meeting. Thirtyfive of them are already members of the Bank, and will be represented at the meeting. The remaining ten have been asked to send observers, and eight have so far accepted. Word has not yet been received from Haiti and Liberia.

The Soviet Union agreed today to send as observer Sedor Bystrov, economic adviser to the Soviet purchasing commission in Washington. Russia is not a member of the Fund or Bank.

The meeting is expected to last two to three weeks and delegates are expected to select an American city as headquarters and to elect officers of the two institutions.---USIS.

#### ROOSEVELT HOME TO BE DEDICATED TO NATION

Washington, March 7 -- Acting Secretary of the Interior Oscar L. Chapman has amnounced that ceremonies formally dedicating the home of Franklin D. Roosevelt as a national historic site will be held at Hyde Park, New York, on April 12, the first anniversary of the former President's death. The ceremonies at the home site near New York City will be attended by several thousand people, including many important persons from all over the world. President Truman will deliver the principal dedication address, and Mrs. Roosevelt will deliver an address donating the property to the Government.

Julius A. Krug, new Secretary of the Interior, is expected to accept the gift on behalf of the Department of the Interior.

President Roosevelt began considering giving his ancestral home to the nation in 1939, when Congress passed an act authorizing any agency of the Government to accept such a gift. In January, 1944, the late President chose the Department of the Interior as the custodian and the National Park Service as the administering agency of the property.

Final details for the transfer of the estate as a gift to the nation were recently completed. The site will be open to the public from the day following the dedication ceremonies.---USIS.

#### IRAN PROTESTS TO RUSSIA ON PRESENCE OF SOVIET TROOPS

Washington, March 6 -- State Department press secretary McDermott said today that the Department last night had received from the Iranian ambassador information that Iran had protested to the Soviet Union against continuation of of Soviet forces in Iran beyond March 2.

McDermott also said the Department has not yet had word that the Soviet Government has received the two notes which the United States last night sent to Moscow on Soviet troops in Iran and on the situation in Manchuria.---USIS.

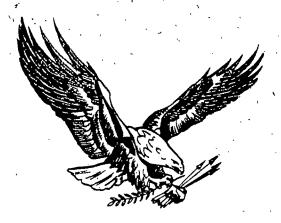
#### OVER 5.500,000 DISPLACED PERSONS IN WESTERN EUROPE REPATRIATED

Washington, March 6 -- Major General John H. Hilldring, director of the War Department's civil affairs division and recently nominated Assistant Secretary of State, today testified before the Harley M.Kilgore subcommittee on war mobilization of the Senate Military Affairs Committee about displaced persons in Germany and Austria.

Emphasizing that "liberation, care and repatriation of United Nations displaced persons was recognized as a major Allied objective," Hilldring revealed that "out of over 6,500,000 displaced persons in the western areas of Europe, over 5,500,000 have already been repatriated." The United States Army repatriated over 2,700,000 from areas under its control, he said. He declared that the repatriation of the following nationalities is complete with minor exceptions: French, Dutch, Belgian, Luxembourg, Danish, Norwegian, Italian, and Soviet.

However, he said, there still remain in the United States zone in Germany about 500,000 displaced persons, of whom about 325,000 are in assembly centers. Hilldring pointed out that the Poles, numbering about 200,000, constitute the largest single group still on hand. He also revealed that a great many nonfascist Poles did not wish to return to Poland because they were afraid of the present Polish regime — a fear, Hilldring emphasized, for which there was no basis.

Hilldring submitted to the committee microfilm rolls containing actual photostats of the Nazi party card files found in Germany. Kilgore said the material submitted was but a fraction of the total material which will be brought over from Germany, and that the entire material will be made part of the testimony and printed record. The first microfilm rolls will cover names of persons in the Nazi party files reported to be living in the United States and Argentina. In his testimony, Hilldring stated that the displaced persons in the American zone are being screened to determine those who have pro-Nazi or pro-fascist backgrounds and who were voluntarily in Germany or assisted in the Nazi war efforts.---USIS.



### FOR IMMEDIATE RELEASE.

## American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

TRUMAN SAYS WORLD IS IN NEED OF SPIRITUAL AWAKENING TO MASTER THREATS OF NEW CONFLICTS

Columbus, Ohio, March 6 -- President Truman, in a speech before a conference of the Federal Council of Churches of Christ here today, declared that the gigantic power which man has acquired through atomic energy "must be matched by a spiritual strength of greater magnitude" to save a world "beset by so many threats of new conflicts, new terror and destruction." The President said in part:

We are a people who worship God in different ways. But we are all bound together in single unity -- the unity of individual freedom in a democracy. We have just come through a decade in which the forces of evil in various parts of the world have been lined up in a bitter fight to banish from the face of the earth both these ideals -- religion and democracy. . . In that long struggle between these two doctrines, the cause of decency and righteousness has been victorious.

The fight to preserve these rights was hard won. Victory took a toll of human life and treasure so large that it should bring home to all of us forever how precious, how invaluable, is our liberty which we had begun to take for granted.

Now that we have preserved our freedom of conscience and religion, our right to live by a decent moral and a spiritual code of our own choosing, let us make full use of that freedom. Let us make use of it to save a world which is beset by so many threats of new conflicts, new terror and destruction. In our relations, abroad and in our economy at home, the forces of selfishness and greed and intolerance are again at work. They create situations which call for hard decisions, for forthrightness, for courage and determination. But above everything else, they call for one thing without which we are lost. They call for moral and spiritual awakening in the life of the individual and in the councils of the world. The last five years have produced many awesome discoveries of material things, but it has been trathfully said that the greatest discoveries of the future will be in the realm of the spirit. There is no problem on this earth tough enough to withstand the flame of genuine renewal of religious faith, And some of the problems of today will yield to nothing less than that kind of revival.

If the world is long to survive, the gigantic power which man has acquired through atomic energy must be natched by a spiritual strength of greater magnitude. All mankind new stands in the doorway to destruction -- or upon the threshold of the greatest age in history. Only a high moral code can master this new power of the universe and develop it for the common good. . .

That is the great task for you teachers of religious faith. The Protestant church, the Catholic church, and the Jewish synagogue, bound together in American unity of brotherhood, must provide the shock forces to accomplish this moral and spiritual awakening. No other agency can do it. Unless it is done, we are headed for the disaster we would deserve. . The need for this moral awakening applies to all men and women everywhere, but it applies particularly to the youth of today, from whom the leadership of tomorrow will come. The aftermath of a major war always includes an increase in juvenile delinquency. Whatever the cause, the need is now pressing and unyielding. The younger generation of today yearns for moral uplift.

#### Spiritual Welfare Depends on Home Life

And one of the ways we can all help not only the youth of the nation, but all men and women is by provision of decent homes. To make up for the lag in home building during the years of war, this country has embarked on the most ambitious civilian housing program in our history. . The spiritual welfare of our people of tomorrow is going to depend on the kind of home life which our nation has to-day.

That is why it is so important that all churches throughout America cooperate in the "national share-the-home" effort. . . By working in your local communities where the primary job and responsibility lie, you can help make this program the success which it must be. For home life reflects the nation's life. It must conform to an ever-rising standard.

To raise that standard should be, and is, the constant aim of your Government and the underlying basis of its policies. It would make the effort so much easier if people and nations would apply some of the principles of social justice and ethical standards which have some down to us from biblical times. All questions which now beset us in strikes and wages and working conditions would be so much simpler if men and women were willing to apply the principles of the Golden Rule. If we really believed in the brotherhood of man it would not be necessary to pass the Fair Employment Practices Act. If certain interests were not so greedy for gold there would be less pressure and lobbying to induce Congress to allow the Price Control Act to expire, or to keep down minimum wages, or to permit further concentration of economic power.

A truly religious fervor among our people would go a long way toward obtaining a national health program, a national housing program, a national education program, and an extended and improved social security program.

As among men, so among nations -- nothing will do more to maintain the peace of the world than rigorous application of the principles of our ancient religion. We have tried to write into the charter of the United Nations the essence of religion. The end of aggression, maintenance of peace, promotion of social justice and individual rights and freedom, substitution of reason and justice for tyranny and war, protection of small and weak nations -- by these principles the United Nations have laid the framework of the charter on the sound rock of religious principles.

The United States expects to support that charter. It expects to defend that charter. It expects to expand and perfect that charter. And we are confident that all other United Nations expect to do the same. In the crisis of global war the common people of all the world became bound together in a great fraternity. Now that victory has come. . . there are now millions and millions of men, women

and children. ..

and children who still look to the rich and powerful nations of the world for help. Principally they look to the people of the United States for help.

As your President, I appeal to you again -- and to all Americans everywhere-to prove your faith and your belief in the teachings of God by doing your share
to save the starving millions in Europe and Asia and Africa. . .

Ours should be a continuous thanksgiving for the fact of victory and for the blessings which are still with us in this land. . We have this America not because we are of a particular faith, and not because our ancestors sailed from a particular port. We have our America because of our common aspiration to remain free and our determined purpose to achieve for ourselves, and for our children, a more abundant life in keeping with our highest ideals.

Let us determine to carry on in that same spirit -- in a spirit of tolerance, and understanding for all men and for all nations -- in a spirit of religion and religious unity.---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

#### ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

#### March 12, 1946

#### U.S. NOT IN FAVOUR OF SECURITY COUNCIL DISCUSSION OF SPANISH PROBLEM

Washington, March 11 -- The United States has informed the French Government that it is not in favour of bringing up the Spanish question before the United Nations Security Council as, on the basis of facts available, a situation does not exist the continuance of which would endanger international peace and security.

The U.S. Government has asked for further information from the French Government on how the latter believes the matter comes within the jurisdiction of the Security Council, the type of action which France believes the Security Council can take and any specific action which France has in mind.

The text of the U.S. State Dopartment release follows:

Upon instructions of Secretary of State James F. Byrnes, the American ambassador in Paris on March 9, 1946, delivered the following note to the Government of France:

The Government of the United States has given careful consideration to the French Government's note of February 27 drawing attention to certain recent developments in Spain, stating that the French Government was of the opinion that the situation in Spain should be submitted for examination to the Security Council

and enquiring

and enquiring whether the United States Government would agree to associate itself with the French Government in doing so.

The United States Government holds firmly to the opinion that any member of the United Nations should bring any dispute or any situation which might lead to international friction or give rise to a dispute, to the attention of the Security Council whenever that member feels that such a course is warranted under the provisions of the charter.

It is the view of the United States Government that, in considering whether it would bring a situation to the attention of the Security Council or would associate itself with another government in such action, it should have in its possession facts which when examined in the light of the pertinent provisions of the charter, afford reason to believe that a situation exists the continuance of which is likely to endanger the maintenance of international peace and security.

U.S. Attitude To Spain

The Government of the United States has repeatedly made clear its attitude in regard to the present regime in Spain. It supported the resolution in San Francisco introduced by the Mexican delegate to the effect that a country should not be eligible to membership in the United Nations if its government had been assisted to power by the armed forces of countries which fought against the United Nations. The United States was a party to the Potsdam declaration, applying this principle in specific terms to Spain. The United States, moreover, supported the Panamanian resolution adopted in January 1946 at the first meeting of the General Assembly to the effect that the members of the United Nations Organization should act in accordance with the letter and the spirit of these declarations in the conduct of their relations with Spain.

The Government of the United States has on numerous occasions stated its view that there cannot be satisfactory relations between the United States and Spain so long as the present regime continues in power in Spain; It frankly fiels

that a change of regime in Spain is not only highly desirable from the standpoint of the Spanish people themselves, but essential for Spain if it is to take that place in the family of nations which rightfully belongs to her. At the same time, the Government of the United States is compelled to say that it regards a change of the existing regime in Spain as a task for the Spanish people themselves. It is the privilege and the responsibility of the people of Spain to determine the form of government under which Spain wishes to live and to choose the leaders of their government.

While the Government of the United States feels strongly that a change of regime in Spain is long overdue, it is compelled to reiterate that it is for the Spanish people themselves in their own way to bring about such a change. It is the earnest hope of the Government of the United States that the Spanish people will bring about such a change at the earliest possible moment and by peaceful means.

"On the basis of its present analysis of all the facts in its possession concerning the Spanish situation, including those mentioned in the note from the French Government of February 27, 1946, the Government of the United States does not believe that a situation exists the continuance of which is likely to endanger the maintenance of international peace and security. It is possible that such a situation may develop, but it was the hope of the United States Government that the recent action it took in concert with the French Government and the British Government would serve to retard such a devolopment. Therefore, the United States Government, as at present advised, does not feel that it can associate itself with the French Government in now bringing the question to the attention of the Security Council.

The United States Government is, of course, prepared to give careful study to any additional information which the French Government may care to furnish in connection with its proposal. In considering such information, the United

States Government would appreciate particularly being informed more precisely as to how the French Government believes that the matter comes within the jurisdiction of the Security Council, the type of action which in the opinion of the French Government the Security Council would be in a position to take, and any specific recommendations for action which the French Government may invisage making to the Security Council for the solution of the problem as submitted.——USIS.

#### TRUMAN REAFFIRMS FAITH IN UNO

Washington, March 8 -- President Truman, at his press conference today, reaffirmed his faith in the United Nations Organization, and stated he hoped to be able to welcome delegates to the UNO Security Council scheduled for New York late this month.

The President was asked if he thought UNO would collapse if Russia were to withdraw, and he replied it would not collapse, that the United States is not going to let it collapse. He was also asked if he favored other nations going ahead if Russia goes down a one-way street, and he replied that he did not think Russia intends to go down a one-way street.

Asked if there was any possibility of another Big Three meeting, Truman said he did not see any possibility of a meeting in the immediate future. He was also asked if he thought the next meeting should be in Washington, and he answered that that was his opinion and that anyone coming here would be welcome.

Mr. Truman said that Julius Krug, new secretary of the interior, would take over the same jobs that Harold Ickes held as secretary of the interior, but he intimated that Government reorganization might change this status.

Asked how long the Combined Chiefs of Staff of the United States and Great Britain, would continue their joint planning, Truman said until the war is officially ended.——USIS.

#### LEHMAN WARNS FOOD SITUATION GROWS MORE CRITICAL

Washington, March 11 -- UNRRA shipments to liberated areas during February were 1,239,400 long tens, which bring total shipments to over six million tons, Herbert H. Lehman, UNRRA Director General, said to-day.

Commenting on acceleration of UNPRA shipments, Lehman today said although
February shipments exceeded the previous highest monthly record, "these figures
do not reflect critical shortages of food. Upto the end of January 1946 nearly
75 per cent of all supplies shipped by UNRRA was food. In February, however,
the ratio of food to total supplies dropped very sharply.

"The world food situation grows more critical each day and during the last few weeks there has not been one single ameliorating factor. Everything has operated to make the situation worse. I want to make it clear in referring to this critical food situation that I am taking into consideration not only those countries who depend directly on UNRRA for aid but also the needs of other countries, such as India and France, whose need for food is equally desperate.

"If the peoples of the United Nations are to surmount this great crisis, it is clear that even greater efforts will have to be made both by supplying and receiving countries. UNRRA has no power by which it can enforce decisions on national governments, but I should be failing in my duty were I not to continue to emphasize my conviction that still more can be done by the member nations themselves. Neither the ideal of the United Nations nor political stability in any country can be achieved in a world where millions of men, women and children become victims of mass starvation."---USIS.

#### U.S. TO IMPORT 5.000 BALES OF JAPANESE RAW SILK

Washington, March 11 -- An initial shipment of 5,000 bales of Japanese raw silk will soon be imported to the United States through facilities of the United States Commercial Company, according to the Reconstruction Finance Corporation. The announcement added that regular shipments of raw silk to the United States will follow as soon as possible. The silk will be sold in the United States under regulations designed to assure wide distribution. --- USIS.

#### NO BUYERS FOR STILMELL ROAD

Washington, March 11 -- The State Department's office of the Foreign Liquidation Commissioner has announced that the famed Stilvell road and 11 military airfields in Burma have been abandoned as commercially unsaleable. Over 12,000 United States soldiers and over 11,000 local laborers would be needed to maintain the Stilvell road, the announcement stated. The cost of upkeep would outweight its peacetime utility, as the monsoons made it partially unusable and none of the governments of the countries where it is located wish to purchase it.

American investment in the Stilwell road, formerly called the Ledo road, was over 137 million dollars. The total American investment in airfields was approximately 15 million dollars.

The announcement said United States investment in the Stilwell road is almost entirely represented by "work done" rather than installed equipment, so that salvage operations would cost more than they would return to the United States. It pointed out that "there can be no better example of the terrific waste of war and the fact that much war surplus cannot be used in civilian economy" ---USIS.

#### FAMINE EMERGENCY COMMITTEE URGES 40 PER CENT WHEAT CONSULPTION CUT

Washington, March 11 -- President Truman's Famine Emergency Committee, of which former President Hoover is honorary chairman, tonight issued a statement asking Americans to reduce consumption of wheat products by 40 per cent and fats by 20 per cent. The statement, which included 39 specific recommendations for American conservation of these products, said in part:

"The world faces a gigantic emergency of famine among 500 million people due to war exhaustion of agriculture and drought. A great human cry has come to us to save them over a terrible four months until the next harvest. The western hamisphere alone has the aid to give, and a heavy part of the burden falls upon the United States.---USIS.

#### U.S. REPLY TO SOVIET NOTE ON BULGARIA

Washington, March 11 -- The United States is interested in seeing friendly cooperation among the political parties in Bulgaria, in implementation of the Moscow agreement regarding that country. This was stressed in the U.S. reply to the Soviet note charging that the U.S. aide memoire to Bulgaria of February 22 was in violation of the Moscow agreement. The U.S. reply, transmitted by Secretary of State Byrnes, to the Soviet embassy in Washington March 10, 1946, stated:

I have taken note of the comments of your Government in this connection, particularly the charges that this action by the United States Government is in violation of the decision in regard to Bulgaria, taken by the three foreign ministers at Moscow in December 1945, and that the United States Government is encouraging the representatives of the Bulgarian opposition to resist the Moscow decision. The Soviet Government also states that the presentation of that aide memoire was a unilateral step taken without prior coordination with other interested governments which participated in the Moscow decision.

As indicated in the <u>aide memoire</u> under reference, the United States Government was motivated in this matter by a desire to correct a misunderstanding which appeared to exist in various quarters in Bulgaria as to the position of the United States Government in regard to the Moscow decision concerning Bulgaria.

The Moseow agreement provided for procedures looking toward inclusion of two representatives of other democratic groups in the Bulgarian Government. These were to be truly representative of the parties not included in the Government, and to be really suitable and work loyally with the Government. It did not occur to the Government of the United States, nor does it now seem conceivable, that such participation would be, or should be, on terms other than those mutually acceptable to the participants. Otherwise the participation would be upon a basis acceptable only to the participants on one side. Plainly the participation was not to be pro forms or created by pressure. It was, and is, the earnest hope of the United States Government that, meeting in a spirit of conciliation, the Bulgarian Government...

ment and the opposition would be able to find a mutually acceptable basis for the implementation of the Moscow decision.

It is, therefore, with considerable surprise that the United States Government learns that its statement to the Bulgarian Government of so fundamental and simple a proposition is regarded by the Soviet Government as a departure from the agreement. As understood by this Government, that statement is the very essence of the agreement.

With reference to the Soviet Government's contention that this step was taken unilaterally and without prior coordination with other interested governments, the United States Government desires to call the attention of the Soviet Government to the conversations held in London on February 16, 1946, between Mr. Cohen, counsellor of the Department of State, and Mr. Vyshinski, Vice Commissar for Foreign Affairs of the Soviet Union. On that occasion Mr. Cohen, on instructions, informed the Soviet Government of the views of the United States Government in this matter, as subsequently set forth in the <u>aide memoire</u> of February 22. Similar conversations were held by Mr. Cohen in London with the British Government.

Spirit of Cooperation

Concerning the statement by the Soviet Government that the United States Government's aide memoire constitutes encouragement to the representatives of the Bulgarian opposition to resist the Moscow decision and that the same tendency has previously been shown by the United States representative in Bulgaria, the United States Government has at no time taken any action in this matter which could be interpreted as inconsistent with the friendly spirit of cooperation which motivated its agreement to that decision.

The activities of the United States representative in Bulgaria have been under instructions he has received from his Government, directed toward impressing upon all parties in Bulgaria the need for this same spirit of cooperation. It is the sincere desire of the United States Government that in this spirit an implementation of the Moscow agreement regarding Bulgaria will be achieved.---USIS.

#### SAVANNAH MONETARY CONFERENCE HAS CHALLENGING TASK

Sevenneh, Georgia, March 9 -- President Truman and Secretary of Treasury Vinson in messages of welcome to representatives of more than 40 nations at the International Monetary Conference at the opening session today, challenged the conference to lay the economic basis for future peace.

President Truman's message was read for him by Warren Kelchner, secretary general of the conference and chief of the State Department's International Conference Division, Secretary Vinson delivered the official address of welcome in person.

Recalling the successful beginning of the international monetary organizations at the Bretton Woods Conference, the President told the delegates that "to breathe life into these intentions is your challenging task.... You must not fail."

Secretary Vinson termed the Bretton Woods agreements laying the foundation for economic and financial organizations an "economic Magna Charta." He said in part:

"Into the fabric of collective peace must be woven strong cords of universal economic and political justice and security. Then — and only then — will our homes be free from the spectre of the next, and perhaps the last, war.

"We have tried to respond to some part of that responsibility by establishing the International Bank and Monetary Fund. They are not the whole answer. We know that. But they are -- and I say humbly though earnestly -- an extremely big part of the answer."

The conference was scheduled today to name committees of membership, nominations and agenda, which will report to the board of governors Monday.

Following is the full text of President Truman's message of welcome:

On behalf of the United States, I welcome you to the great southern city, Savannah, Georgia.

I should like to recall to your minds now the words with which the late great President Roosevelt welcomed the delegates to the Bretton Woods Conference. He said:

"The spirit in which you carry on these discussions will set a pattern for future friendly consultations among nations in their common interest. Further evidence will be furnished at Bretton Woods that men of different nationalities have learned how to adjust possible differences and how to work together as friends. The things that we need to do, must be done -- can only be done -- in concert. This conference will test our capacity to cooperate in peace as we have in war. I know that you will approach your task with a high sense of responsibility to those who have sacrificed so much in their hopes for a better world."

Today we all know of the success which was attained at Bretton Woods. For there was constructed a cornerstone upon the foundation of which a sound economic world can -- and must -- be erected. Whether such a sound economic world will be realized will depend very largely upon your individual and collective endervors.

For the great institutions provided for at Bretton Woods must now become living operating organisms. To breathe life into these institutions is your challenging task.

In this task I wish you Godspeed. You must not fail.---USIS.

CHURCHILL BIDS GOOD-BYE TO TRUMAN

Washington, March 11 -- White House press secretary Ross said that Winston Churchill called upon the President today to said good-bye prior to his departume today for New York on his way back home.

Ross also said that the Brazilian ambassador to the United States, Carlos Martins, who has just returned from Brazil, was delivering a message today from Brazilian President Dutra to President Truman.---USIS.

#### TRUMAN APPEALS TO PRESS TO SUPPORT FOOD ECONOMY DRIVE

Washington, March 11 -- President Truman has asked American newspapers to support the food conservation program designed to avert starvation in many parts of the world. John S. Knight, president of the American Society of Newspaper Editors, announced he had received the following telegram from the President:

The Famine Emergency Committee which I appointed on March 1 has called for a voluntary reduction by the American people in the consumption of wheat and all possible conservation in the use of fats and oils.

The American people have never failed to respond to any need, provided the urgency was made clear and they were informed what specific steps were expected of them. The Famine Emergency Committee and the Government are mapping out a conservation program for wheat and fats and oils. I am counting on newspapers to play a major part in explaining the urgent need of the peoples abroad, and of keeping our people fully informed day by day of the conservation measures that are necessary if we are to meet our foreign wheat and fats and oils requirements.

The cooperation of newspaper editors of America in backing this conservation program will be an important service to millions on the verge of starvation and to the future course of world peace. --- USIS.

#### TEMPORARY TRANS-ATLANTIC AIR RATES FIXED

New York, March 11 -- The International Air Transport Association has announced a temporary schedule of airline fares for trans-Atlantic travel, following a conference of leading international airlines. The temporary schedule will be in effect until July 31, pending a second conference, to be held here June 3, to determine fixed rates based on actual operating costs.

Fares agreed upon include 360 dollars one way to London, 375 dollars to Paris and Lisbon, 394 dollars to Brussels and Amsterdam, 436 dollars to Copenhagen, 438 dollars to Oslo and 455 dollars to Stockholm.

The fares go into effect ten days after approval by the American, British, Canadian and Swedish governments.---USIS.

#### DETAILS OF YALTA AGREEMENT ON REPATRIATION DISCLOSED

Washington, March 8 -- A State Department spokesman today made public the text of the agreement made at Yalta in February 1945 regarding repatriation of American and Soviet citizens liberated by the two armies. The agreement, signed by Major General John R. Deane for the United States and Major General A.A. Gryzlov for the Soviet Union, was announced by the White House February 12, 1945.

The spokesman said: "The primary object" of this agreement was "speedy return of liberated citizens to their respective homelands. "On the basis of this agreement, all American liberated prisoners of war were enabled to return to the United States as speedily as practicable," the spokesman added.

The agreement said: "In implementation of this agreement the United States Government is facilitating repatriation to the Soviet Union of only those persons who were both citizens of and actually domiciled within the Soviet Union on September 1, 1939.

"Repatriation of Soviet citizens is not facilitated unless they so desire, with the exception of those who fall within the following categories:

- "(1) Those who were captured in German uniforms;
- "(2) Those who were members of the Soviet armed forces on or after June 22, 1941, and were not subsequently discharged therefrom; and
- "(3) Those who on the basis of reasonable evidence, have been found to be collaborators with the enemy, having voluntarily rendered aid and comfort to the enemy."

The agreement dealt specifically with the establishment of separate camps for liberated citizens, administration of the camps, provision of adequate food and medical supplies, transfer of citizens from one camp to another or removal of camps to other locations, transportation of liberated citizens for transfer to the authority of the other country, and monetary advances to citizens of the other country.---USIS.

#### TURKISH TERRITORIAL CESSION WAS NOT ON POTSDAM AGENDA

Washington, March 8 -- Secretary Byrnes told a press conference today that the question of Turkish cession to Russia of regions of Kars and Ardahan was not discussed for action at the Potsdam conference, although it had been mentioned in connection with discussion of internationalization of waterways, including the Dardanelles and the Danube, and of revision of the Montreux Convention. The question was not on the conference agenda, the Secretary said.

The Secretary recalled that during the discussion on waterways at Potsdam,

Foreign Commissar Molotov stated that the Soviet Government had made no demands

upon the Turkish Government about any matter, but that the Turkish Government had

discussed with the Soviet representative the question of a treaty or alliance

between the two governments, and that in the course of the discussions the re
presentative of the Soviet Government had advised the Turkish representative

that in considering such a matter there would have to be discussion of the straits

and also of the two provinces of Kars and Ardahan.

Byrnes said he did not pretend to be quoting Molotov, but that was what he recalled had been said by Molotov while presenting his views with reference to entirely current questions then under discussion.

Asked if the Soviet Government had presented such demands to the Turkish Government since that time, Byrnes said not to his knowledge, and that the United States had not been informed of any such demands.

A reporter recalled that the Secretary had previously said that each of the Big Three nations would talk separately with Turkey regarding revision of the Montreux Convention, and Byrnes said that was right. He also affirmed that there had been memoranda exchanged between the United States and Turkish Governments on that subject.

Byrnes said Russia has not yet replied to the United States note about the continued presence of Russian troops in Iran. He said the United States had no

information that Soviet forces there have begun to evacuate or have any intention of evacuating.

Byrnes said Soviet Charge d'Affaires Novikov handed him on Thursday a Russian note referring to Bulgaria, which the U.S. Government is now studying. He said he could not say anything about the contents of the note now.

# Russian Roply On Manchuria

The Secretary also announced receipt of a message from the Russians regarding Manchuria, in response to the United States communication of February 9 conserning disposition of industrial enterprises in that region. Byrnes made it clear that this was not a reply to the note that was sent to Russia this week, but was a reply to the earlier message. He declined to disclose the contents of this week's note, saying he did not know yet if it has been delivered, as the United States representative in Moscow had held it up in view of Russia's response to the earlier communication. The Secretary said he had since instructed the ambassador to go ahead and deliver the message.

Byrnes answered a question on the response by the United States to the French proposal for bringing the Spanish situation before the UNO Security Council by saying that a reply is being prepared. (The U.S. reply to the French proposal has since been released and appears separately in this Newsfile...Ed.)

Asked if he had any plan to suggest a new meeting of the Big Three, Byrnes said he had no such plan. He expressed the hope that he might be able to attend the opening sessions of the UNO Security Council in New York later this month, but indicated that his attendance was not definite.

Asked if the United States Government is in favor of postponing the Rio de Janeiro conference of American nations, scheduled for March 15, Secretary Byrnes said the United States is ready to attend the conference and will make no request for postponement, but that it will follow the wishes of the majority of other American governments.——USIS.

# U.S. 1947 NAVAL APPROPRIATIONS TOTAL 3.725 MILLION DOLLARS

Washington, March 9 -- The White House amounced that President Truman yesterday transmitted to Congress estimates for naval appropriations for the fiscal year 1947 totalling 3,725 million dellars, and an additional 500 million dellars by transfer from the naval central procurement fund. Of this total, 300 million dellars is to liquidate prior-year obligations. New contract authority of 275 million dellars is for planes to be delivered in 1948, the White House announcement said.

The recommended amount contemplates that the Navy should have an average strength during the fiscal year 1947 of 500,000 enlisted men, and a Marine Corps of 100,000 enlisted men.

Included in the recommendation is 227 million dollars for research and dovelopment work to allow this program to proceed at about its present level. Estimates provide for an expanded procetime naval reserve, but the program for new
ships and planes will be greatly curtailed, the White House said. Gonstruction
at naval establishments at present is being reviewed to keep it to the minimum
so that manpower and material can be used to relieve the housing shortage.

Today's recommendations along with the appropriations of 134 million dollars recommended Monday for the Coast Guard will total slightly less than the one-line estimate of 4,500 million dollars included in the federal budget sent to Congress in January. However, the net new authority to spend under the present recommendations for the Navy and Coast Guard is about 234 million dollars above the amount contained for this purpose in the one-line estimate.

The net amount, after recisions, appropriated for the Navy for the fiscal year 1946 totalled about 12,500 million dollars, and a year before it totalled 25,500 million dollars.---USIS.



# FOR IMMEDIATE RELEASE

# American Newsfile

# SPECIAL

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

# LETTER FROM AMERICA

FAMINE EMERGENCY COMMITTEE MAKES HEADWAY UNDER HOOVER'S STEWARDSHIP

Washington, March 8 -- The Famine Emergency Committee, headed by ex-President Herbert Hoover, was the fastest moving Government agency in the U.S. capital this week. In the one week after President Truman announced its organization, Hoover had made public his specific objectives, called a meeting of the leaders in the nation's food industries, and was ready to leave within a few days for Europe to survey the needs for food.

One reason why famine relief moved so rapidly was the lack of partisan opposition to the principle that "peace will be written with food;" but another bigger and more important reason was the dynamic personality and long experience of the ex-President. In fact the slogan, "peace will be written with food," became popular during the first world war when Hoover established world-wide reputation as a relief organizer.

# Valuable Experience Gained In World War One Relief Work

Before the United States had entered that conflict he was chairman of the Commission for Relief in Belgium. He fed ten million in Belgium and northern France when overrun by the Germans. His commission operated, as he himself expressed it, "within the lines of a hostile army, through the blockade of a hostile navy and behind trenches on both sides of the conflict."

After the United States entered the first world war he became United States Food Administrator and thus a member of President Wilson's war council.

After the armistice he was instrumental in having the Allied blockade of Germany lifted and distributed some 20 million tons of food to some 300 million people. Later he became Secretary of Commerce and President.

He was peculiarly trained to do just this kind of work. His great ability to organize people in times of stress was first demonstrated in China during the Boxer rebellion. He had gone to Tientsin as director of the Chinese department of mines and railways, sailing from California with his wife on the day of their marriage. Shortly after their arrival in Tientsin the city was beseiged and Hoover helped plan the defense of the city and organized food and water supplies.

Hoover's job.

Hoover's job with the Chinese Imperial Government vanished after the rebellion, but he immediately organized a Chinese mining company and became its chief engineer. He became one of the best known consulting mining engineers in the world, specializing in reorganization of companies which were financial failures. His work brought him into contact with officials of many foreign governments.

He was involved in the World War One food picture because he had gone to Europe to interest various governments in the Panama-Pacific Exposition of 1915. He had a number of mining interests in Europe at the time, but was persuaded to neglect them by the United States ambassador in London to organize the mass exedus of Americans from Europe in anticipation of the outbreak of war. He did the job so quietly and efficiently that he was immediately called upon to organize relief work in Europe.

Hoover's life follows the type of success story of which Americans are proud -- proud because they believe that climbing from the position of a poverty stricken orphan to that of a President is more probable under a democracy than under any other form of government. They also are proud of it because they believe the nation's strength lies precisely in this probability. They believe in an economy of talent which arises from giving equal opportunity to the poor and the rich, the native and the immigrant, regardless of race, color and croed.

Herbert Clark Hoover was born in the midwestern state of Iowa in 1874 of a Quaker family. His father died when he was six and his mother when he was ten. The children divided among the relatives and Herbert lived with an uncle who was manager for a land company of the Quaker colony in Oregon, on the Pacific coast. Hoover was a chore boy.

Later his uncle moved to Salem, Oregon, and Herbert was promoted to an office boy. He decided to become a mining engineer, studied during nights and entered the Leland, Stanford, University after once failing in the entrance examination. Young Herbert paid all college expenses. Working variously as a newsboy, until the business expanded and he hired others for legwork, "babysitter" secretary to a geology professor and operator of a laundry agency, he went on to manage a Tuesday evening lecture and concert series for profit. Even after receiving his hardwon degree he worked as a laborer until a famous west coast engineer recognized his talent and sent him to Australia. Then he rose quickly to world fame.

# Belief In Community Generosity

Hoover's firm and positive action is based on his confidence in community generosity, which is evident from the many successful relief campaigns, such as the Red Cross and religious organizations which raised over 125 million dollars last year.

American reaction to suffering abroad is typified by a Washington <u>Star</u> editorial, which said: "Experience has shown that Americans need only be convinced of the need and their response will be prompt and generous, "---USIS.



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# SPECIAL

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U.S.-FRENCH EXCHANGE OF NOTES ON ESTABLISHMENT OF CENTRAL GERMAN AGENCIES

Washington, March 10 -- The State Department Friday released the texts of messages exchanged between Secretary of State Byrnes and French Foreign Minister Bidault regarding the establishment of certain central German agencies.

In his note dated February 1, 1946, Byrnes stated that, while he fully appreciated and understood the position and desires of the French Government, he felt it was necessary to permit the establishment of German central agencies in the fields of finance, transport, communications, foreign trade and control of German industry, to be operated under the direction of the Allied Control Council. Otherwise, he said, the administration of Germany as a single economic unit and the reduction of German war potential might become impossible. He added that, in his opinion, the establishment of these agencies would not prejudice eventual considerations of Germany's western frontier. The Soviet, British and the United States governments had agreed on the establishment of such central agencies, and Byrnes asked that the French Government reconsider its attitude in order to "facilitate the development of a common Allied policy in Germany."

Bidault's message dated March 2, 1946, said that the French Government felt that, taking a long-range view and in the light of the experience of the past 25 years, the question of Germany's western frontier and the future of the Rhine-Westphalian region should be clarified before such central agencies were established. The note suggested that a four-party conference be called as soon as possible to examine these questions and said that the French Government feels that the Conference of Foreign Ministers is the proper body to discuss these matters.

Both messages stressed the basic unanimity of the two governments on the political principles governing the treatment of Germany during and after the occupation period.

The text of Byrne's message to Bidault follows:

"I should be most grateful if you could see your way clear to review the French attitude on the establishment of central German agencies. In doing this, I should like to ask you to take into account the following considerations:

"I believe, as a result of our close cooperation in the European Advisory Commission in planning the occupation of Germany and in our day-to-day relationships with French representatives on the Control Council, that the basic ideas of the French and American governments on the political principles which should govern

the treatment of Germany in the occupation period are not far apart. I am certain that our reiterated intention to destroy German militarism and Nazism and our joint measures to accomplish complete disarmament of Germany have received complete approval of the French Government.

"I know that we are in accord on the political premise that the administration of affairs in Germany should be directed toward decentralization of the German governmental structure and development of local administrations based upon democratic principles. Furthermore, I am sure you will agree that the time has not yet come to reestablish any central German Government and that the occupation of Germany under the prevailing agreements is expected to continue for an indefinite period. I should like you to know that I fully appreciate the natural desire of your government to prevent the resurgence of a military and aggressive Germany.

"Lying next to Germany as France does, I can readily understand the desire of the French Government to effect territorial changes which, in its opinion, will form the basis of security against Germany. Therefore, I can understand the reasons which have prompted the French Government, acting under the unanimity rule of the Control Council, to prevent the establishment of central German administrative departments.

#### Advantage Of Central Administration

"On the other hand, the central German agencies proposed will be operating under the direction of the Control Council, in which the French Government has full participation. The Control Council is directed so to manage affairs in Germany that the former highly centralized governmental structure of the German Reich will be abolished and replaced by a much looser structure. It does not seem to me that this theory is incompatible with the establishment of certain central administrative departments which will enable the Control Council to equalize and make uniform the treatment of Germany in many important aspects.

Even under a loosely federated form of government it would seem to be indispensable eventually to permit the establishment of central agencies in the fields of finance, transport, communications, foreign trade and control of German indusptry. Otherwise, we may have a situation in which it will become impossible to administer Germany as an economic unit and to effect that reduction of German war potential which we both agree is essential.

"I should also like you to know that in my opinion the establishment of certain central German agencies does not prejudice eventual consideration of Germany's western frontier. This problem is an enormously complicated one, which will no doubt be the subject of extended exchanges of views between the Allies. We have not as yet begun our joint labors on the conclusion of a peace treaty with Germany and I think you will agree that the time has not yet come to do so.

"The greatest security which France and all of the United Nations have against Germany is indeed the continued occupation of the German Reich. We all hope that this occupation will result in a Germany which is incapable for an indefinite future of waging war, but the problems of this occupation are enormously complex and it is indispensable that the four occupying powers should collaborate in executing the purposes of the occupation. The American, British and Soviet governments have all agreed that the establishment of central German agencies is required for the purposes of this occupation. They have

further agreed that such agencies will be under the direction -- the Control Council.

"Last, but not least, it seems to me that we must view the functioning of the Control Council as the test of the ability of the four allies represented thereon to work together in the postwar world. Failure of the Council would mean failure of Allied cooperation, and would be so regarded in the world at large.

"Ī, therefore, express the earnest hope that the French Government will reconsider its attitude in this matter and will, by so doing, facilitate the development of a common Allied policy in Germany."

# Bidault Explains French Attitude.

Bidault's message said in part:

"You reviewed for me the principles on which American policy toward Germany is founded. . . I am happy to verify the agreement of our governments on these principles and to take note of this understanding.... Divergence of views appears only over the practical measures to be taken to assure the effective application of our common ideas.

"The French Government for its part, even if it considers, in agreement with the American Government, the prolonged occupation of Germany as the best guarantee of security, nonetheless cannot ignore the fact that this occupation will eventually end. Even at this time the French Government is preoccupied with measures which must be taken to avoid the possibility that Germany shall become again a menace to peace when the occupation shall have ended. . . The experience of the last 25 years has made it clear that territorial clauses are the last that revisionist states question. Those clauses also may be easily implemented by an effective and precise international guarantee. For these reasons, the French Government proposes that separation of certain regions from German sovereignty characterize (marque) the irrevocable nature of the limitations imposed on German potentialities and render it, in fact, irrevocable. These preoccupations are known to your Government. . .

Whatever be the importance, complexity and urgency of the questions posed by the occupation and administration of Germany, the French Government does not think that the occupation powers should, to facilitate their immediate task, compromise guarantees of the future. It is not simple concern for logic which leads my Government to desire that before reestablishing German administrative services, the four powers will reach an agreement on the extent of future German territory. . . The experience of the years just after the first world war showed that the most active and successful adversaries of any kind of decentralization of the Reich were precisely the local agents of the central German administration. . .

"The French Government continues to feel that if the occupying powers intend to follow a policy of decentralization they should not begin to establish extended administrations having independent authority. The French Government could not in any case agree to the extension of authority of such administrations to the Ruhr, Rhineland or, even more, to the Saar.

"This does not mean that my Government does not recognize the necessity of coordinating the activities of the various zones. It considers, however, that this coordinating role belongs to the Inter-Allied Council and that the Council, under the present conditions, should alone retain the power of making decisions...

"If it is only a question, as I understand it, of facilitating examination of the technical questions coming under the competence of the Inter-Allied Council and of assuring better coordination in governing the four zones by the authorities charged with their administration, it would not seem necessary to weaken the rules recalled above to obtain this result. It would suffice for the Council, without changing the present practice, to obtain collaboration of Gorman technical administrations in preparation and support of the Council's policy....

"Whatever may be the complexity of the problem of the western frontier of Gormany and the future regime of the Rhine-Westphalian region, my Government, whose views were presented in a memorandum submitted to the Council of Ministers for Foreign Affairs on September 13, 1945, feels that it must point out that no reply has been received up to this date in spite of the visits of M. Alphand to Moscow.

"It therefore suggests that a four-party conference be called as soon as possible for the examination of both the questions of central administrations and that of western Germany.... It feels that the appropriate setting would be a conference of ministers for foreign affairs, which is the proper body having the competence for discussion of these matters. The French Government is, however ready to examine any other method of examination which might be presented to it," ---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

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The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 13, 1946

# HULL WARNS AGAINST "UNSPEAKABLE DISASTER"

Washington, March 12 -- Former Secretary of State Cordell Hull, in a statement released last night, urged cooperation among all nations through the United Nations Organization.

Hull warned that "unspeakable disaster would result" if the five major powers did not recognize their common interests and harmonize their action in support of those interests.

we who are living now," Hull declared, "must not allow the human race to commit suicide through lack of vision or through selfishness, impatience or provocation."

Hull's statement said in part:

As an American citizen, I desire to join in welcoming the United Nations
Organization as its temporary headquarters are being established in New York and
appropriate officials meet there on March 21....

The United Nations ... has come into existence because of the world's indispensable need for an international machinery through which nations may reconcile their differences in unified efforts to maintain security and advance the welfare of all peace-loving peoples:

Its chief

# SPAATZ REVEALS U.S. AIR FORCES REORGANIZATION PLANS

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Washington, March 12 -- Gen. Carl A. Spaatz, chief of the U.S.Army Air Forces, outlined far-reaching reorganization plans for maintaining the efficiency and strength of the U.S. air forces at a press conference today. He hoped the reorganization would be completed by the beginning of 1947. None of the 16 air forces which operated during the war will be deactivated but will be fitted into the postwar structure, he said.

Among the appointments he announced were that of General George C.

Kenney to head the Strategic Air Command and Lieut.Gen.George E.Stratemeyer to be in charge of Air Defense Command.

In a statement released today on the future of the air force Gen. Spaatz called for establishment of a peacetime air force of adequate size and in a high and constant state of readiness. He also recommended reorganization of the status of the AAF with the ground and naval service within a single department of National Defense and called for establishment of bases within the continental limits of the United States to meet any attack simed at national security. He said that the United States must not stint expenditure in the field of research and scientific development.——USIS.

# TRUMAN WILL ATTEND HYDE PARK CEREMONIES APRIL 12

Washington, March 12 -- President Truman will give a brief extemporaneous speech at ceremonies to be held at Hyde Park, New York, April 12 on the first anniversary of the death of President Roosevelt, it was announced today by White House press secretary Charles Ross. The ceremonies will also mark the formal dedication of the Hyde Park estate of the late President to the Government.

Ross also stated that President Truman may visit the Philippines for the July 4 ceremonies when the Philippines Republic is established. There has been no definite commitment, Ross explained, although the President some time ago expressed a wish that he might make such a trip.---USIS.

# HOOVER LEAVES FOR FOOD SURVEY MARCH 17

Washington, March 12 -- Former U.S. President Herbert Hoover, honorary chairs man of President Truman's Famine Emergency Committee, today told the press that he would leave March 17 on his overseas food survey. He said his first stop would be France.

Hoover, who last night issued a statement asking Americans to reduce their consumption of wheat products by 40 per cent and fats by 20 per cent, today reterated his appeal, saying that an effort by the American people to economise food now will save millions of human lives and provent disaster.

He revealed that the Department of Agriculture is considering plans to curtail United States exports of food products to Latin American countries and execurage larger exports from the other American republics to Europe and Asia. He said four or five million tons might be obtained in this manner. Hoover said the world deficiency in food is now about eight or nine million tons. Hoover's statement last night made 39 specific recommendations for American voluntary conservation of wheat products and fats. He said the next 120 days would be vital in the conservation effort.

Hoover announced he was taking with him on the food mission several food experts who were closely associated with him in Europe after World War One, including Hugh Gibson.---USIS.

#### SOVIET TROOP MOVEMENTS REPORTED IN IRAN

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Washington, March 12 -- The U.S. State Department tonight reported that it has received reports to the effect that during last week additional Soviet armed forces and heavy military combat equipment have been moving southward through Tabriz toward Teheran and toward the western border of Iran.

"This Government," the State Department said, "has inquired of the Soviet Government whether such movements have taken place and, if so, the reasons therefor."---USIS.

# U.S. PRESS SUPPORTS BYRNES! NOTES TO RUSSIA

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Washington, March 11 - Prominent United States papers have expressed cd.

ttorial support of Secretary of State Byrnes in sending the views of the United

States to Russia on the Iranian and Manchurian situations.

The Washington Evening Star said in part: "The State Department's note to Moscow on Iran is significant not only in itself but even more so when viewed against the larger diplomatic and political background. It coincides with another American communication to Moscow on Manchuria and comes immediately after the Department's indirect protest to the unrecognized government of Bulgaria on its failure to live up to the terms of the Yalta and Moscow agreements laid down by the Big Three for the political reconstruction of liberated European countries under Soviet influence or control. Cur note on Iran is thus merely one aspect of our policy of firmness toward unilateral aggressiveness displayed almost everywhere by rulers of the Soviet Union...

"Having gone thus far, it is hard to see how Washington can fail to continue in the forthright attitude it has assumed."

The New York Herald Tribune said in part: "Only one of the notes dispatched by Secretary Byrnes on the Iranian and Manchurian questions has so far been made public; we are still unaware of the Moscow reaction, and the utility of the demarche is consequently a matter still in suspense. It should, however, provide a much more solid contribution to the issues between Russia and the west than Mr. Churchill's somewhat sensational trial baloon; it should at least help to precipitate real issues in a form in which they can be analyzed and dealt with, rather than merely filling the air with more emotion....

"Here are elements of a strong case on which it is perfectly proper and not unfriendly to ask for Russia's explanation. And only by asking will it be possible to establish the real locus of the trouble. It may lie in any one of several places. These delays may actually spring only from the difficulty of translating

high policy into execution on the ground, amid the inevitably chaotic conditions of these territories -- something from which the Russian system can suffer no less than our own.

"They may reflect a real alteration of Soviet policy from that which published documents led the world to believe it to be, toward more aggressively imperialist aims. If so, it is necessary to know this now and take up the new situation that it would imply. Or they may reflect something in between -- new phases of the deep difficulty we have been constantly experiencing in the attempt to effect joint reorganization of stress areas by two systems which are so antithetic in their assumptions.

"The west is constantly trying to act in terms of freedom, liberal process, evolutionary solutions. The Russians act constantly in terms of a peremptorily imposed order, rationalized economy, immediately planned production. The differences are often as much those of method and assumptions as they are those of high policies, which is one reason why they engender such passionate frictions between men who are convinced of their own sincerity. If this is a major part of the problem it is necessary to get specific cases on the table into which it is possible for both sides to sink their teeth. That is what one is entitled to hope for from the Byrnes notes."

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A Washington Post editorial said in part: "We know from history that aggression is a disease that feeds on itself. This is undoubtedly the reason for a hardening in our diplomacy toward Russia. Russia may have legitimate claims to make on Iran. The oil situation, for instance. We have repeatedly argued that a joint plan for exploitation of the oil resources of the Middle East is definitely in order.

"Mr. Churchill came close to the same suggestion when he spoke about the sharing of bases. He ought to have coupled concessions with bases, for that is the way to put meaning into the phrase fraternal association, and no American, with his anti-colonial feelings, is likely to agree to any underwriting of the present world status quo."——USIS.

# U.S. LOAN TO RUSSIA IS UNDER CONSIDERATION

Washington, March 12 -- The National Advisory Council on International Monetary and Financial Problems, which passes on requests for loans through the Export-Import Bank announced it has approved consideration of loans to Russia and eight other countries, as well as to the Netherlands Indies.

Members of the Council are Treasury Secretary Vinson, chairman; Secretary of State Byrnes; Secretary of Commerce Wallace; Marriner Eccles, chairman of the Federal Reserve System; and William M. Martin, Jr., chairman of the Export-Import Bank.

The Council report said contracts have already been signed for the following credits: Belgium, 100 million dollars; Finland, 35 million; France, 550 million; Greece, 25 million; and the Netherlands, 100,000 dollars.

Negotiations are underway for a loan to Russia, but no decision has been reached as to the amount of credit. Vinson this week disclosed before the Senate banking and currency committee that Russia had asked for credit of 1,000 million dollars in a formal application to the Bank. Earlier, he said, the Russians had explored the possibility of a loan several times this amount.

A further loan to the Netherlands has also been approved for consideration as well as loans to the Netherlands East Indiës, China, Czechoslovakia, and Poland.

No sums have been named for these loans. The Council said a number of other proposals and requests for loans have been placed before it.——USIS.

# U.S. CONSUL ARRIVES AT DAIREN

Washington, March 12 -- U.S. Consul General Leo Sturgeon and Vice Consul Louis Gelfan arrived at Dairen, March 9 to reestablish the United States consulate there, the State Department announced yesterday. Sturgeon reported that the party was received with the greatest courtesy by representative local officials, including the Chinese mayor of Dairen and the Russian commandant in charge of installations.---USIS.

# UNRRA CHIEF RESIGNS

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Washington, March 12 -- Herbert H. Lehman, director general of UNRRA, tonight announced his resignation. In a letter addressed to the UNRRA Council, which is scheduled to meet Friday, March 15, in Atlantic City, New Jersey, Lehman said he was resigning on the advice of his physician, who had recommended a much-needed rest.

When Herbert H. Lehman left the governorship of New York State in December, 1942, to become director of the U.S. Office of Foreign Relief and Rehabilitation Operations, he bequeathed to Governor-elect Thomas E. Dewey a treasury surplus estimated at 54 million dellars, the State's largest since 1931.

He had given the state a sound business administration, and his years as New York's 47th governor had been marked by broad social and labor legislation and the introduction of unemployment insurance, old age security and minimum wage laws Notable among the achievements of his administration were laws for the regulation of public utilities passed in 1934, revision of laws affecting labor in 1935 and the social security programs of 1936-1937.

As head of the OFRRO he directed the work of relief to war victims in areas liberated by the United Nations for a year until the United Nations Relief and Rehabilitation Administration was set up in December 1943 and Lehman was appointed to head it.

As background for this work, he was during the last war treasurer and vice chairman of the Joint Distribution Committee, which distributed 75 million dollars for relief. He also won the U.S. Distinguished Service Medal for his direction of the return and storage of supplies sent to Europe during the war.

Lehman was born in New York City March 28, 1878, the youngest of seven children. His father, Meyer Lehman, had migrated to the United States from Germany in 1848, and had first settled in the state of Alabama but changed his residence to New York City after the Civil War. Meyer Lehman was one of the founders of the Cotton Exchange and of the banking firm of Lehman Brothers. Of this firm the son was a member until he entered politics.

## Began In Textile Industry

He received a degree from Williams College in 1899 and began an apprenticeship in the textile industry. In the same year, he organized a boys! club; this was the beginning of his permanent interest in philanthropy and social betterment.

When the United States entered the last war, Lehman, though ten years beyond the draft age, volunteered for service and first acted as assistant to Franklin D. Roosevelt, then Assistant Secretary of the Navy.

In August, 1917, Lehman was commissioned a captain in the Army, assigned to the general staff, and rose to the rank of colonel in the quartermaster service.

After the war he was a special assistant to the Secretary of War, a member of the Board of Contract Adjustment and of the War Department's Claims Board. He was elected Lieutenant Governor of New York State in 1928, whon Franklin Roosovolt was elected Governor, and in 1932 Lohman was elected governor.

His record of ten years as the state's governor was exceeded only by the first governor, George Clinton, who served for 12 years.---USIS.

# G.K. HOLLAND TO HEAD U.S. CULTURAL ACTIVITIES

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Washington, March 11 -- Assistant Secretary of State Benton has announced the appointment of G. Kenneth Holland as associate director of the Office of International Information and Cultural Affairs. Holland will supervise cultural activities relating to exchange of students, professors and specialists, and maintenance of United States Information Libraries abroad.

Holland comes to the department from the Office of Inter-American Affairs, where he was president of the Inter-American Educational Foundation. He was graduated from Occidental College, Los Angeles, in 1929, received his masters degree from-Princeton in 1931 and attended the universities of Grenoble and Paris. He was executive secretary of the International Student Service in 1933-34. From 1935 to 1936 he was associate director of the American Youth Commission of the American Council on Education. --- USIS.



# FOR IMMEDIATE RELEASE

# American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 15, 1946

# TRUMAN DENIES PLANS FOR BIG THREE MEETING

Washington, March 14 -- President Truman, at a press conference today, was asked by newsman if he thought the international situation was as fraught with danger as many people think. The President replied, permitting direct quotation, "I do not think it is." Asked if he could say that there was no international danger, he replied, "I am not alarmed by it," and declared he was sure a solution could be worked out.

Asked if the Security Council would meet as scheduled on March 25 he said he thought so. He said he had no reason to believe that it would not be fully attended. Whether he himself would attend the opening, he said, depended on conditions at the time.

President Truman said he had no advance notice of Churchill's announced renewal of the "debate" with Stalin on the radio Friday night, adding that his
first knowledge of it was a report in the papers.

TRUMAR LEarns to a question, the President said he had no official information regarding Russian troop movements in Iran. He declared he knew only what he read in the newspapers and had no comment to make had no comment to make by not small in he thought the international situation was as fraught with fander as many people think. The President replied, permitting sireet systation,

Truman said he had no plans for a Big Three meeting and he had not been in personal communication with Stalin over the Iranian situation.

The President stated that the appointment of an American member on the United Nations Atomic Control Commission was being delayed until Congress could legislate on the matter. Such legislation was not necessary before the appointment is made, he explained, but it would clarify the situation to a great extent and place the objective of the United States before the rest of the world.

Asked regarding the special message President Dutra of Brazil had sent him, Truman said it was a very friendly letter expressing friendship for the United States.---USIS.

# STATE DEPARTMENT RECEIVES FRESH REPORTS OF RUSSIAN TROOP MOVEMENTS

Washington, March 14 -- State Department press secretary Nichael McDermott told research today that the Department had received more reports on Russian troop movements in Iran, and that they bear out the statement of the Department of two days ago -- that "additional Soviet armed forces and heavy military combat equipment have been moving southward from the direction of the Soviet frontier through Tabriz toward Teheran and toward the western border of Iran."

McDermott stated that the Department did not wish to issue a statement on the new reports and that these reports did not change the facts.---USIS.

NEW WAR DEPARTMENT APPOINTMENT

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Washington, March 13 -- The Mar Department announced yesterday that Major General Oliver P. Echols has been designated to succeed Major General John H. Hilldring as director of the civil affairs division of the Mar Department special staff.

General Echols is U.S. assistant deputy military governor for Germany and in that capacity has been assisting Licut. Gen. Lucius D. Clay.

President Trumen recently nominated General Hilldring as assistant secretary of state.

As civil affairs director, General Echols will direct policies and plans for military government in the liberated areas and occupied enemy countries.---USIS.

# U.S. PRESS COMMENTS ON TRAN DEVELOPMENTS

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Washington, March 14 -- Now developments in Russian-United States relations were the subject of editorials in four prominent castern newspapers today, with two papers suggesting constructive action by the United States, one asking "What Does Russia Want?" and the fourth directly advocating a show of armed strength to Russia.

A New York Herald Tribune editorial titled, "Storm Over Iran," stated that reports of Russian military activities in Iran are not sufficiently clear or well authenticated...to warrant scare headlines and the wildly warlike implications 🧍 with which they are being displayed."

The editorial continued in part: "As a matter of principle, this country is strongly opposed to any unilatoral or forcible solution in disputed areas of th world .... This country, on the other hand, has no particular interest in maintaining a shoddy status quo in Iran. It is no service to theoretical democracy to prop up a backward and corrupt Iranian Government, and it would place us in a very peculiar position if we should stand before the world as its defender in the face of the new social and economic aims which are sweeping the world....

"Rather than opposing any change the United States could usefully have worked for ... rationalization of the Iranian problem -- a settlement that would rocognize both Russian and British interests and that would enable Russia, as well as Britain, fairly to develop Iranian resources and promoto Iranian social advancement.

"Some such practical settlement as this is still possible, and it is still. possible for the United States to exert a constructive influence in that direction, but we cannot do so in an atmosphero of grimly suspicious secrecy in Moscow and hystorical flutterings in London and Washington. It is simply absurd to imagine the United States going to war tomorrow with Soviet Russia over Iranian deserts, but it is true that we have specific and important interests in the is-If we can confine them to their real limits, and if pressures can be relaxed and heat dissipated, we can sustain them by normal processes of international ...

national policy."

# Russia Lacks Faith In Collective Security

The Washington <u>Post</u> said editorially: "The tragedy, as we have insisted since we saw Russia in action at San Francisco, is that the Russians, for reasons grounded in experience and in fear, insist upon collecting their own security. . . Whether Russia can ever be won over to collective security is a question the answer to which belongs to the future, but a dual obligation rests upon the other powers to save Russia from stumbling at some point into an inevitable collision. Fundamental in this obligation is that our posture at home, as well as our record in diplomacy, must show to Russia that we do not intend to countenance violation of international engagements. But the other obligation is a duty which falls upon us to give Russia such assurances as may assuage her present fears. . .

"The approach must be one which demonstrates to the Russians that we are ourselves wedded to collective security which they reject. . One way would be to offer the Russians guarantees that in case of attack the United States would come to their assistance. . Any argument that a new guarantee is dangerous is outmoded. In effect, we are issuing guarantees to all nations through our membership in UNO.

"Aside from this, we must recognize that, whether we like it or not, war is bound to be contagious and simply cannot be localized now that the atomic bomb has demonstrated our cosmic unity."

The New York <u>Times</u> commented in part: "The rest of the world can well sympathize with the desire for security by a country which has been invaded twice within a generation. But Russian interpretation of this desire raises an inevitable question. . In a war fought under the banner of no aggrandizement, territorial or other, Russia has already acquired territories equal to a larger part of eastern United States. Yet all Russian pronouncements make it evident that even this is not enough. . The world is justified in asking, where does

the search for security end and where does expansion begin,"

The Philadelphia Record said in part: We have to face the fact that now only power -- armed might, and willingness to use it -- is likely to stop Russia in time. Words alone won't. . .

"Let us make it clear that, with us, force is the last resort. First, we must try other pressures. UNO, for example.... But behind... UNO must be force to back up the demand that Russia live up to the treaties she signs."--USIS.

# PAULEY NOMINATION WITHDRAWN

Washington, March 13 -- President Truman today withdrew the nomination of Edwin W. Pauley as under secretary of the Navy at the latter's request. Truman in acceding to Pauley's request said in a letter to him that "disclosure of all evidence has vindicated my confidence in you." The President added that "your own feeling that there is no immediate antidote to tactics which have been employed against you is the only reason I would accept for the action you now ask me to take." The President added that Pauley, California oilman, whose nomination has been criticized sharply in some quarters, will be esteemed "in more temperate times" for his "devoted and patriotic services."---USIS.

# NEW TREASUFER OF EXPORT-IMPORT BANK

Washington, March 14 -- Will Whittemore has been elected treasurer of the Export-Import Bank, the board of directors have announced. He has been vice president of the Bank since 1938 and now has additional duties of treasurer, replacing D.B. Griffin, who has resigned.

The Export-Import Bank board also announced the election of August Maffery as vice president. Maffery has been economic adviser to the Bank since last May and before that served in various capacities in the Commerce Department for ten years.---USIS.

# CARIBBEAN CONFERENCE CALLS FOR BASIC SOCIAL LEGISLATION

Washington, March 13 — The West Indian Conference, which mot at St. Thomas, in the Virgin Islands, with delegates from 15 Caribbean territories of the United States, Great Britain, France and the Netherlands, adjourned yesterday after a speech at the final session by Governor Rexford G. Tugwell of Puerto Rico. The recommendations made by three committees as the result of the 20-day conference will now be submitted to France, Great Britain, the Netherlands and the United States for their concerted approval.

The committees' recommendations called for the creation of a central secretariat based within the Caribbean area, for the addition of an economic section to the existing Caribbean Commission, and for the establishment of a regional tourist promotional organization.

In his closing address to the conference, Governor Tugwell said: "I think of this conference as a pioneering venture into the difficult country of internationalism. This is not a governing body. It has no legislative, executive or judicial powers. It is, nevertheless, important as a consultive and advisory body, as a repository of local tradition and aspiration, and as a standard conscience of the region."

Tugwell explained to the delegates that because of the necessity of concorted approval of the four nations on the conference's recommendations, it was impossible to make responsible promises on action on these recommendations at this time. He warned the delegates that many difficulties lie ahead in the final carrying out of the policies recommended at the conclusion of the conference sessions, but predicted that past obstacles that had hindered development of the region would now be largely overcome.

Tugwell also praised conference leadership of chairman Charles Taussig of the United States.

Specific recommendations of the conference's committees called for meetings on industrial . . .

on industrial and towrist development within the next year. The need for more information in undertaking regionwide approach to the problems and potentialities of the Caribbean area was also emphasized in the committee reports. In addition to an economic section of the Caribbean Commission, a research council was suggested to make a study of the potentialities of mainland territories of the Guianas and British Honduras. Other recommendations asked for the setting up in the area of basic—social legislation already established by international agreements in such matters as workmen's compensation, social security and child labor.

Another committee report stated the need for international discussion at the earliest possible date of the Caribbean area's major export crops, with the idea of arriving at an agreed international policy and specific programs respecting production prices, distribution and consumption.

The site for the recommended joint secretariat in the Caribbean area has not yet been formally discussed, according to a statement made today by Taussig at a press conference following the closing of the conference.

At the final session, conference delegates unanimously adopted a resolution honoring the memory of the late President Roosevelt, "who always held such deep and eager interest in Caribbean life and aspirations."

Territories represented at the conference, which opened February 21 with a message from President Truman, were: The United States -- Puerto Rico and the Virgin Islands; France -- Mertinique, Guadalupe and French Guiana; the Netherlands -- Curacao and Surinam (Dutch Guiana); Great Britain -- the Bahamas, Barbados, Jamaica, Trinidad, British Guiana, British Honduras, the Loeward Islands, and the Windward Islands.--USIS.

# SPAATZ DETAILS PROPOSED AIR FORCE REORGANIZATION

Washington, March 13 -- General Carl Spaatz, Commanding General of the United States Army Air Forces, in a statement yesterday on the future of the Army Air Forces, declared that the Army Air Forces can accomplish its mission only if it maintains an air force in being of adequate size and proper composition, strategically deployed and in a high and constant state of readiness. Detailing plans for air defense, Gen. Spaatz said in part:

The Army Air Forces are in unanimous agreement with the view that a single department of national defense in which the air force attains parity with the other armed services under a unified command is definitely desirable.

The deployment of air combat units must be consistent with the concept that the air forces must be prepared to meet, at points well beyond the continental limits of the United States, any attack aimed at the national security. Consequently, disposition of the AAF necessitates bases on which, as circumstances demand, an offensive force can be poised well within reach of the war potential of any possible enemy.... The units based in the United States will serve to meet tactical requirements and will form the bulk of a mobile striking force quickly available to reinforce and complement units in the forward areas.

In the new organization there will be three major combat commands and five supporting commands. No more than eight individuals will report directly to the commanding general, thereby insuring simplicity of structure. The three combat commands will be:

One -- A strategic air command, which will embody combat groups of longrange striking forces;

Two -- An air defense command, which will be responsible for the air defense of continental United States and for coordination of continental air units, including the air rational guard and air reserve, into effective fighting forces; and

Three -- A tactical air command, which will be charged with cooperative missions with surface forces.

Immediately under these commands will be the numbered air forces. In addition to the three combat commands there will be:

One - An air materiel command, which will perform normal maintenance and supply functions as well as research and development;

Two - A training command which will provide all phases of individual training except higher education carried on in an air university and unit training conducted in the three combat commands;

Three -- An air transport command;

Four -- An air university; and

Five - An air force proving ground command.

The functions of these last two agencies will be to crystallize and disseminate the latest air force doctrine through training programs and through tactical experimentation....

The atomic bomb has provided a weapon which tremendously increases the effectiveness of air power. From this it follows that any future conflict will begin with air action and may well be concluded with it. But despite this possibility, the air forces must be able to participate with surface forces in coordinated action.

There must be no stingeing of expenditures in the field of research and scientific development. Military doctrines must be continually altered to conform to and take full advantage of scientific discoveries and developments. Industrial planning is similarly important. To insure maximum production of weapons in the minimum of time, production to meet any contingency must be planned in advance.——USIS.

# U.S. ARMY NEEDS ESTIMATED AT 1.070.000 MEN

Washington, March 14 -- War Scerotary Patterson, Army Chief of Staff General Eisenhower and General Spaatz, Commanding General of the U.S. Army Air Forces, have presented to Congress the Army's personnel requirements, including the Air Forces, that will be needed as of July 1, 1947, and thereafter as long as the country has occupation forces overseas. They announced yesterday that the Army's planned strength should be 1,070,000 officers and mon, of whom 400,000 will be in the Air Forces. This will require a reduction of almost 500,000 from the July 1, 1946, strength.

The three military leaders testified before the House military affairs committee yesterday as the committee considered extension of selective service.

Secretary Patterson outlined the tasks which the Army will face during occupation as:

First, occupation in Europa, Japan and Koroa;

Second, training of new men to replace long-service men overseas;

Third, maintenance of lines of communication and supporting installations in the United States for the occupation forces;

Fourth, provision of forces which can be made available to the United Nations Organization;

Fifth, maintenance of key points in the national security structure of the United States, such as the Panama Canal, Alaska, and air bases along the approaches to the United States;

Sixth, maintenance of an adequate program of intelligence, research and development; and

Seventh, the overriding requirement to present a strong military posture in a world which is still unsettled.

According to present estimates, there will be no further major reduction in strength requirements of the Army after July 1, 1947, until occupation tasks and,

Secretary Patterson indicated. By that time, the aims, policies and programs of the other nations and the efficiency of UNO should be much clearer. These factors, he said, will be the determining guide to the setting-up strength and composition of the permanent postwar forces in the period following occupation.

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The War Secretary stated he saw no assurance of meeting the obligations assigned to the Army without continuance of selective service. But he assured the committee that the War Department will continue to press its recruiting program vigorously and will not call for any more men by induction than are needed to meet the Army's shortages. The Army, he continued, cannot afford to gamble with its assigned mission in this critical period, and it must be reasonably certain of having the men to do the job. The Army can do its job with selective service, he said, but cannot be certain of doing it without selective service. Ground And Service Forces Requirement

General Eisenhover told the Congressional committee in detail the requirements of ground and service forces. He declared that military security of the nation in the years to come implies an ability to prevent a future enemy from launching destructive blows against the United States before mobilization of national resources can be accomplished.

A system of axilying bases is a major element in United States security preparations, General Eisenhover said, and from the Army viewpoint this system is built around a modern, land-based air power, backed by the necessary ground and service forces. The system will be supported by installations in the United States, which constitutes the main base. Approximately half of the 670,000 men in the ground and service forces after July 1, 1947, will be required for the occupation job and to maintain overseas bases, General Eisenhower estimated.

General Spaatz, testified that the U.S. Army Air Forces during peacetime must be organized, trained and equipped to accomplish air defense, offensive action and rapid expansion in case of an emergency. He warned that possibilities

of atomic warfare accentuate the need for maintenance of adequate air forces. Of the minimum strength of 400,000 necessary, he said, approximately 190,000 will be stationed overseas. Since the Air Forces constitute the nation's most flexible and fastest striking power, General Spaatz concluded, they must be at all times of sufficient size and sufficiently well trained, equipped and deployed to conduct sustained, effective operations while concurrently accomplishing defense and expansion.——USIS.

# INTER-AMERICAN CONFERENCE IS POSTPONED

Washington, March 14 -- The Inter-American Conference for the maintenance of continental peace and security, which has been tentatively scheduled to convene in Rio de Janeiro between mid-March and mid-April of this year to draft a Western Hemisphere peacetime defense treaty, was indefinitely postponed by a vote of the Pan-American Union governing board last night.

The vote was taken on a formal resolution, offered by Ecuadorean ambassador to Washington Galo Plaza, recommonding that the Rio conference be hold some time before the meeting of the ninth International Conference of American States (Pan-American Conference), scheduled for Bogota, Colombia, in December of this year.

The purpose of the Rio conference is to draft a peacetime inter-American treaty of defense, based on the wartime mutual defense agreement known as the Act of Chapultepec, drawn up at the Mexico City meeting of American foreign ministers -- the Inter-American Conference on Problems of War and Peace -- last March. The proposed hemisphere defense treaty is to fit into the framework of the world security arrangement as provided in the United Nations charter.---USIS.

# TRUMAN EXPANDS FOOD ECONOMY DRIVE

Washington, March 13 -- President Truman yesterday asked about 125 leading United States citizens to serve on the national Famine Emergency Council and take the lead in their organizations and communities in explaining to the public the needs for and methods of food conservation in order to speed and augment United States shipments of food abroad.

The Council will supplement in all parts of the nation the work carried on in Washington by a new executive committee of the President's Famine Emergency Committee. This executive group, appointed yesterday, is headed by Chester C. Davis, former War Food Administrator. Other committee members are: Eugono Meyer, publisher of the Washington Post; James W. Young, chairman of the Advertising Council, Incorporated; Anna Lord Strauss, president of the National League of Women Voters; and George H. Gallup, director of the American Institute of Public Opinion.

Former President Herbert Hoover, honorary chairman of the President's

Famine Emergency Committee, will leave March 17 on his overseas food survey undertaken at President Truman's request. Hoover said his first stop would be in

France. Hoover will take with him five food experts, all of whom were closely associated with him in the European relief work after the first world war. They are:

Hugh Gibson, former ambassador to Belgium, who also represented the United States in Luxembourg, Poland and Switzerland. Gibson also was U.S. representative to many world conferences. He was with Hoover from November 1918 to April 1919.

John Brown Mason and Charles Delzell who were on the faculty of the Leland, Stanford, University in California when Hoover was president of that school. After the war, Mason was a specialist of food and relief problems in Prussia and Austria, while Delzell was regional specialist on Italy and the Balkans.

Perrin C.Galpin.

Perrin C. Galpin, who was in charge of Belgian rolief and specialist on the Low Countries after World War One. Since its incorporation in 1920 he has administered the Belgian-American Educational Foundation.

Maurice Pate, specialist on Poland, Czechoslovakia, and Yugoslavia.

In addition, Dr. D.A. FitzGerald, Agriculture Department expert on world food problems, will make the tour.---USIS.

### DR. PARRAN TO ATTEND PARIS HEALTH PARLEYS

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Washington, March 14 -- Dr. Thomas Parran, Surgeon General of the United States Public Health Service, will leave tomorrow for Paris for a meeting of the preparatory committee which will plan an international health conference in June. The purpose of the conference will be to establish an international health organization for world-wide control of communicable diseases under the United Nations Organization.

The idea of a health organization grew out of the San Francisco Conference of the United Nations, which approved "international action in the field of health' and the UNO Economic and Social Council has requested governments to send public health officials to the coming conference.

The new organization is being planned to coordinate the activities of the International Office of Public Health established in 1907 in Paris, the League of Nations Health Organization, and health activities of UNRRA, which assumed many of the duties of the first two organizations during the war.

Plans for the establishment of a new health organization were discussed by Doctor Parran with President Truman in a visit to the White House yesterday. --- USIS.

# FRENCH REPLY TO U.S. ON SPAIN RECEIVED

Washington, March 14 -- State Department press secretary Michael McDermott informed the press today that the French note answering the United States note on the Spanish situation arrived last night, but Secretary of State Byrnes had not yet seen it.---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

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March 18, 1946

# MARSHALL REPORTS RAPID PROGRESS IN UNIFICATION OF CHINA

Washington, March 16 -- General George C. Marshall, holding his first press conference today since his return yesterday from a three-month mission in China as President Truman's personal representative, told of the progress being made in uniting that country, and of the importance of its unity to the world.

"If the world wants peace," he said, "China's effort must succeed, and that success will depend largely on other nations."

General Marshall authorized direct quotation of the following statement; made at the beginning of his press conference:

"The Chinese people are engaged in an effort which, I think, should command the cooperation of the entire world. It is an effort almost without precedent. Their leaders are making daily progress towards the settlement by peaceful discussions of deep-seated and bitter conflicts over the past 20 years.

"They are succeeding in terminating the hostilities of the past 20 years. They have reached agreements and are now engaged in the business of demobilizing vast military forces and unifying, and integrating the remaining forces

into a national army. They have agreed to the basic principles for the achievement in China of political and economic advances which were centuries in coming to the western democracies.

"If we are to have peace -- if the world wants peace -- there are compelling reasons why China's present effort must succeed and its success will depend in a large measure on the actions of the other nations. If China is ignored or if there is scheming to thwart the developments of unity and present aspirations, their efforts inevitably will fail.

"The United States, I think, at the present time is best able to render material assistance to China. I feel quite certain of the sympathetic interest of the American people in China, but I am not quite so certain as to their understanding or the understanding of their political leaders of the vital importance to the United States of the success of the present Chinese efforts toward unity and economic stability if we are to have the continued peace we hope for in the Padific.

No Price On U.S. Friendship

"Incidentally, I do not believe any nation can find justification for suspicion as to our motives in China. We are asking for no special preferences of any kind whatsoever regarding economic or similar matters. We are placing no price on our friendship. I must say, though, that we have a vital interest in a stable

government in China and I am using the word 'vital' in its accurate sense.

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"The next few months are of tremendous importance to the Chinese people and,
I think, to the future peace of the world. I am now using that term in its longer
sense -- that is, through the years. Stable governments in Asia are of great importance to us, not to mention what they mean to the Chinese people.

"I have met on every hand the most generous reception, the most remarkable reception, I might say, and it seemed to me a very understanding cooperation toward whatever efforts I might be making. The situation, of course, has been most complicated throughout my brief stay in China, first, by the disturbed conditions in this country as well as in the Pacific, and then later by the critical state

of affairs in Manchuria. Despite these difficulties I think tremendous progress has been made.

"I would like to have you understand something of an organization that has been established in Peiping which we call executive headquarters. That is the most important instrument we have in China at the present time. Agreements are all very well, but you must have a means for carrying them out, particularly when they are intended to resolve bitter differences of large groups of people.

"So we have in Peiping a headquarters consisting of three commissions, the chairman of which is an American, the other two members representing the Chinese Government and the Communist party. And then we have an American chief of staff, and under him is a group of about 250 officers. The core of the organization is American, with the representatives of the National Government on one side and the Communists on the other, and they are brought together with this framework of an American staff.

# Field Teams Set Up

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"They are represented out in the field throughout the critical portions of China by little teams of three men, one American, one Governmental representative and one Communist representative. And the force and effect of these agreements and the detailed orders to carry them into effect in that way are carried down on the ground at the scene of the trouble -- whether it is fighting, whether it is restoration of communications, whether it is relieving the encirclement of a city, the evacuation of Japanese, or, as is now coming up, the demobilization, reorganization, and integration of the armed forces in China.

"We would have gotten nowhere without that headquarters. It is absolutely essential in every step of the way in connection with these agreements which have application to the military situation, which, of course, includes communications.

\*Up to ten minutes before my departure from China we were reaching agreements regarding sending these teams into Manchuria. We reached a general agreement and

they had certain details to work out after my departure. They should be on their way now.

"It is of great importance that they get there as soon as possible. You must understand that it is exceedingly difficult, with the best intentions in the world, to transmit orders where there are very limited radio communications and almost no highway communications over these great distances in these isolated localities and where, in many cases, the forces are not well-knit, organized units. I found it necessary to make a trip of about 3,500 miles to the principal region where there was still trouble. I was accompanied by the Government representative and part of his staff, and the Communist representative with part of his staff.

### Difficulties Quickly Resolved

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"I found in the case of the latter, they had not seen some of the leaders for two years and had very limited communications with them from time to time. We were able to resolve almost every difficulty once we got the people together. It was very remarkable how quickly we could straighten out what seemingly were impossible conditions and which had their tragic effect on the Chinese people. A single conference of a few hours in an afternoon would raise the encirclement of what amounted to 10 or 12 besieged cities, where people were starving. It only took that long to straighten out, but until we arrived nothing could be done.

"Now in Manchuria they have had no representative of the executive headquarters there up to this time. The situation has been very fluid, troops are
moving here and there, with of course, all sorts of minor clashes occuring. There
is no doubt whatever in my mind that in many instances, particularly on the
Communist side, they are almost unaware of the agreements we have reached; therefore, it is most important that we have these teams in that country as quickly as
possible.

"I would like to say that the American officers in these small groups are rendering very remarkable service, not only under the difficult conditions of the task but under extremely difficult conditions of life. I repeat again, that without the headquarters of the nature that we have established in Peiping, with its representatives, it would be literally impossible to carry out any of these agreements, even with the best intentions of the world at the top.

"I saw General MacArthur in Japan and talked over with him the representation of Chinese troops in the army of occupation. He was very happy to have them and I think you will shortly read of an announcement by the Generalissimo to that effect."

Asked whether Soviet troops had evacuated Manchuria, General Marshall replied that the United States did not have observers there but would have them shortly.

He said the situation was extremely critical.

### Chinese Army Reorganization

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Asked to explain the reintegration of the Chinese army, to compose both former Nationalist and former Communist forces, General Marshall said representatives of both forces are working with a group of U.S. Army officers who are aiding the demobilization program. In about one year, General Marshall estimated the armies will include 60 divisions, of which 50 will be Nationalist and ten Communist. It probably would be further reduced later. He emphasized the magnitude of the entire demobilization program.

In connection with discussion of the Chinese armies, General Marshall said that Nationalist forces known as Alpha divisions and developed with American help are now embarking for Manchuria. Leading units of these divisions were in Burma, he said, but had been marched over the Himalayan foothills in one of the largest troop movements in history.

In reply to a question about the number of United States troops in China, General Marshall said that Army troops there now comprised a completely non-combatant force which is engaged in handling supplies to be turned over to the Chinese, handling and disposing of property and providing plano transportation essential to the functioning of the combined executive headquarters.---USIS.

# MISSION GROUPS IN INDIA ARE LARGE BUYERS OF U.S. WAR SURPLUS

Washington, March 15 -- American war surplus overseas is being purchased in increasing amounts by private educational, philanthropic and religious groups to foster their humanitarian work, according to the Office of the Foreign Liquidation Commissioner.

A survey of sales made to these groups shows that American educational institutions in the Middle East and mission groups in India have in the aggregate made sizeable purchases, FLC explained. These sales have been especially noteworthy, FLC added, because of the broad humanitarian uses to which they are immediately put.

According to the latest available reports received by the FLC office here, approximately 1,100,000 dollars has been expended by these groups on purchases of overseas surplus.

The sales reported include 429,000 dollars in the India-Burma aron; Africa-Middle East area, 205,000 dollars; Mediterranean, including North Africa, 21,057 dollars; European theater area, 226,000 dollars; Iran area, 95,000 dollars; Pacific area, including China, 120,712 dollars.---USIS.

# SOVIET NOTE TO U.S. ON LOAN REQUEST

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Washington March 15 -- State Department press secretary Michael McDermott said today that the note which Soviet Charge d'Affairs Nikolai Novikov brought to the State Department today deals with economic and commercial matters and not with the United States notes to Russia on Iran and Manchuria.

Asked whether the note concerned Russia's request for a lean, McDermett replied that it did bear on the subject, and recalled that the United States, in its answer to the original Soviet request for a lean, pointed out that such a lean would be part of the general economic picture and, therefore, would be discussed from the overall point of view.

Novikov called on Secretary of State Byrnes briefly today .--- USIS.

#### 3:813,000 TONS OF U.S. FOOD SCHEDULED FOR EXPORT THIS QUARTER

Washington, March 17 -- The Department of Agriculture announced yesterday that during the current quarter approximately 3,813,000 tons from a total of 5,347,000 tons of United States food supplies available for export have been designated for shipment to relieve starvation in the war-devastated countries.

Flour, wheat and other grains comprise about 71 per cent of the shipment for these areas. The Department is putting into effect, as early as possible, emergency measures to implement the President's call for more food to the starving peoples.

Fulfillment of the export program for the liberated and occupied countries -considered by the officials to be the maximum that could be supplied this quarter -- depends primarily on the success of the procurement programs, and ability
to overcome shipping difficulties, the Department said.

The amounts included in the Department's maximum estimates fall considerably short of what claimants have submitted as their minimum requirements, many of which are held at or below the subsistence level because of financial limitations. Food for the liberated countries is paid for either directly by them on a cash or credit basis or by UNRRA for areas under its supervision.

Added to the domestic production of the liberated and occupied countries, the receipt of food from the United States will mean the difference between starvation and subsistence to large groups of people and will help the people regain strength enough to aid in rehabilitation of their country's economy, officials said.

Of the total food scheduled for the liberated and occupied areas, 3,570,000 tons have been allocated for Europe, and 243,000 tons for the Far East. Of the total, 1,627,000 tons is scheduled for distribution through UNRRA.

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Meanwhile, in the United States numerous food conservation measures and programs have been put into effect, Under a new OPA regulation bakeries may cut the

weight of loaves of bread 10 per cent without affecting the price and restaurants may serve smaller portions. Several banquets have been either cancelled or if held will serve greatly reduced food portions.

The Department of Agriculture has announced a 10 per cent increase in the amount of beef to be set aside for shipment abroad. --- USIS.

#### THUMAN SAYS FILIPINOS FULLY CAPABLE OF ASSUMING SELF-GOVERNMENT

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Washington, March 16 -- President Truman, in a statement today, said disposition of civil collaborationists in the Philippines will be left to the civil authorities there and declared that the Philippine people are fully capable of assuming self-government on July 4. The President said in part:

On October 26, 1945, I addressed a directive to the attorney general requesting that a study be made of the status of those who collaborated with the enemy in the Philippines, I have received reports from the attorney general, from the secretary of war, and High Commissioner Paul V. McNutt on this subject.

After studying the recommendations submitted to me, I have determined that there is no necessity for any change in our established policy of leaving the disposition of civil collaborationists in the Philippines to the civil authorities there. . . .

The Philippines are scheduled to become an independent republic on July 4 of this year. I am certain that the Philippine people are fully capable of assuming all the duties and obligations of self-government. I believe that these heroic people, out of their own devotion to democratic ideals, will eliminate from their national and political life all those of questionable allegiance to those democratic principles.

In arriving at these conclusions, I am assuring the Philippine people that we have every confidence that they are capable of making their own political decisions without intervention or direction by the United States.---USIS.

#### TRUMAN REAFFIRMS U.S. SUPPORT TO UNRRA

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Washington, March 15 -- President Truman sent the following message to the fourth session of the UNRRA Council, which opened at Atlantic City today.

In welcoming the members of the Council of UNRRA to the United States, I should like first to express my heartfolt sympathy to all those members whose countries are at the present time suffering from the acute food shortages afflicting the world. In this country our efforts are now solidly behind an emergency food economy program intended to release as large as possible a proportion of our food supply for export to the starving people of the world.

As to the great work which UNRRA has undertaken, I know of no more encouraging evidence that international cooperation for peaceful ends is possible than the record of UNRRA's achievements.

Despite many obstacles and frustrations, it has given clear proof that where the will of the United Nations is clearly expressed, prompt and effective action can be taken.

The United States played its part in the creation of UNRRA; it has given UNRRA its wholehearted support, and it is my purpose to see that this support shall be constantly maintained. I realize that now above all things UNRRA's needs must be met if the promises of the United Nations to the liberated countries are to be fulfilled.

I am taking every practicable measure to insure that the United States does not fall behind the other supplying nations of the world in providing the scarce food needed so desperately by the liberated countries. I regard UNRRA as the best instrument the United Nations could have to deal with this critical situation. The emergency measures taken in this country will have as its purpose the further support of UNRRA.

I have no hesitation whatever in reaffirming the United States Government's most earnest desire to support UNRRA in every way in the completion of its immense

tasks. The United Nations have been fortunate in having had created for them this organization, which has operated so well in carrying out the first and most urgent tasks of peace. I trust that the high achievements of UNFRA will encourage the United Nations to regard UNFRA and the other international organizations which are now being created as an integral part of the machinery of the peace we are striving to insure for the world.——USIS.

#### HOOVER'S CALL TO AMERICANS FOR AID TO STARVING MILLIONS

Washington, March 17 -- Former President Herbert Hoover, in a radio address just before his departure today on a famine tour abroad, appealed to the American people to support the national voluntary effort to reduce domestic consumption of foodstuffs and thus aid in making more supplies available to needy peoples abroad.

Hoover, who was recently appointed honorary chairman of the President's Famine Emergency Committee, made these five points:

One -- While it may be too late to save all the starving people, "our purpose is to save every last one possible."

Two -- The number of lives that can be saved depends on the extent to which the American people will comply with the emergency committee's rules and their appeal.

Three -- It also depends on the extent of the measures taken by the Washington administration to reduce livestock consumption of grain and to increase available stock.

Four -- In depends on the extent to which Latin America will cooperate by reducing their consumption and waste of breadstuffs and fats and importing the very least amount of commodities from the United States.

Five -- Even with success in these measures "we have insufficient food for all the millions of women and children."

This is the time for cooperation and not for controversy, Hoover said, adding:
"Our duty is to serve the starving people." The saving of human life is a moral
and spiritual duty, he said.---USIS.

#### INDIA REPRESENTED ON WORLD BANK AND FUND DIRECTORSHIP

Savannah, Georgia, March 17 -- India's request that she be allowed representation on the executive directorship of the International Fund and the International Bank for Reconstruction and Development, regardless of whether Russia joins, was approved Friday by the boards of governors.

Yesterday the governors adopted the membership committee recommendation that Bretton Woods signatory nations which have not yet ratified the articles of agreement be given until December 31 to join the Bank and Fund as charter members.

After the governors' approval today of India's request, Secretary of the Treasury Fred M. Vinson, head of the United States delogation and chairman of the governing boards of the Bank and Fund, said India would held the directorship until the next election of directors even if Russia became a member before the end-of-the-year deadline.

Approval of India's request came today after the governors admitted Cuba into full membership of the Fund and Bank, the fourth new member nation to sign up since the conference opened here on Saturday. Others were El Salvador, Panama and Nicaragua.

Paraguay has asked the governors that her contribution to the fund be incressed from two million to five million dellars. The question was referred to the
board of executive directors, still to be appointed. Iran indicated that she also
desired a quota increase.

Turkey became the first wartime neutral and also the first nation not a signatory of the Bretton Woods agreements to submit an application for admission to the Fund and Bank.

The governors have unanimously approved recommendations that the Fund and Bank institutions be located in Washington. The New York area was the only other site considered. The Bretton Woods agreements had stipulated that the site be in the nation contributing the largest amounts to the Fund and Bank.

The conference is now scheduled to end next Monday night .--- USIS.

#### FAR EAST COMMISSION APPOINTS VICE CHAIRMEN AND COMMITTEES

Washington, March 15 -- The Far Eastern Commission weekly meeting yesterday approved the appointments of three vice chairmen: Andrei A. Gromyko, U.S.S.R; Dr. Wei Tao-ming, China; and Lord Halifax, Great Britain.

The Commission also announced that it had approved six committees:

The Reparations Committee chairman is Sir Frederic Eggleston, Australia, and deputy chairman is G.A.P. Weyer of the Netherlands.

Sir George Sansom, United Kingdom, is chairman of the Committee on Economic and Financial Affairs, with Kenneth Galbraith, United States, deputy chairman.

Sir Girja Shankar Bajpai, India, is chairman of the Committee on Constitutional and Legal Reform; Herbert Norman, Canada, is deputy chairman.

Nikolai V. Novikov, Russia, is chairman of the Committee for Strengthening of Democratic Tendencies; Dr. T.T. Mar, China, is deputy chairman.

Dr. C.L. Hsia, China, is chairman of the Committee on War Criminals, with Mr. Melquidos Gamboa, Philippines, deputy chairman.

Francis Lacoste of France is chairman of the Committee on Aliens in Japan; F.C. Everson, United Kingdom, is deputy chairman.

The Commission will hold the next meeting on March 20.---USIS.

#### 3,000,000 DOLLARS FOR ADDITIONAL RED CROSS RELIEF OVERSEAS

Washington, March 17 -- Another three million dollars has been added to the American Red Cross fund for relief to civilians in the war-devastated countries, according to chairman Basil O'Connor.

Supplementary feeding of children, supply of shoes, clothing, as well as medicines and medical equipment made possible by this appropriation will help relieve suffering in the war-torn countries, O'Connor said.

The Red Cross is now supervising the distribution abroad of supplies valued at nearly 40 million dollars. Since September 1939 nearly 160 million dollars! worth of relief has been distributed to war victims through the American Red Cross. Major programs were conducted in Great Britain, Russia, and China and the liberated areas of Europe.---USIS.

#### U.S. PRESS ON CHURCHILL'S SPEECH

RUSSIAN ACTION MAY FORCE CLOSER ANGLO-U.S. FRATERNAL ASSOCIATION

Washington, March 17 -- American newspapers in general praised former Prime Minister Churchill's utterances in this country, asserting that future developments of Russian policy had an important bearing on the acceptability of Churchill's plea for a close fraternal association between the United States and Britain. The editorials warned against the forming of nationalistic blocs and advocated UNO as a means of obtaining national as well as world security; but they also emphasized that all countries must respect treaties and show mutual willingness to seek agreement to make UNO effective.

The New York <u>Times</u> today said in part: "The United Nations Organization was conceived on the basis of a world patterned on the Atlantic Charter, consisting of free and independent nations governed according to the will of their people and pledged not only to avoid the threat or use of force for their own purposes but also to cooperate in the use of force against any aggressor. But this world concept is being challenged by a rival concept advanced by Russia, which professes to see itself encircled by a hostile capitalistic world. On that ground Russia is steadily extending its strategic frontiers and its spheres of influence and control in search for security outside the guarantee of UNO.

"It is in these circumstances that Mr. Churchill has called for fraternal association, and close military collaboration between the United States and Great Britain. His proposal rests on the solid bedrock of a close identity of interests. It is . . . entirely a defensive measure, and considering the unmistakable circumstances in which it was proposed there is no justification for Mr. Stalin's interpretation of it as a plan for 'Anglo-Saxon domination' of the world.

"It is the result, and not the cause, of the steady expansion of Russian power which has now been in progress for many months.

"The facts of geography and history, of mutual self-interests and common consolidation....

consolidation of freedom and democracy make inevitable, in our judgment, that close 'fraternal association' for which Mr. Churchill pleads. Whether the time has come to express this association in terms of special and far-reaching measures of military collaboration, which Mr. Churchill has also proposed, is a question on which events still to come and particularly development of Russian policy in the Middle East and Manchuria, will have an important bearing. Many Americans who have put their faith so hopefully in the conception of a parliament of nations and a general international organization to preserve the peace would be reluctant to shift their trust to measures which might promote the growth of blocs, lest such blocs ultimately split the concept of one world now prevalent."

The New York Harald Tribune today said in part: "By entering the court of world opinion with clean hands and bold hearts, America and Britain may work together for the world's welfare. Such collaboration should not and cannot provide the key to every question which may arise, while the world is in a flux and myriad interests clash about the globe. It is an auxiliary to and not a substitute either for the fundamental principles of American foreign policy or the security provisions of UNO. But it can become a real and growing force, powerful for good."

#### Stern Test For UNO

The Washington Star commented: "As Mr. Churchill said, decisions as to the course of future events rest primarily with a 'handful of able men' who formulate the policies of the Soviet Union. The Russians disclaim any ambitions inconsistent with the principles of international cooperation upon which rests the United Nations Organization. But the fact remains that they are instigators of the 'swiftly moving events which no one can measure at present', but which promise nevertheless to subject UNC and its Security Council to a stern tost when the latter agency meets this month.

"If the Russians should prove unwilling to submit disputed matters in which they are.....

they are involved to the jurisdiction of the Security Council, or if they should fail to respect such decisions as the Council might make, then it seems almost inevitable that the United States and Britain should move toward something in the nature of the 'fraternal association' which Mr. Churchill advocates. Perhaps such a development would tend to be destructive to UNO, as the Russians say. But if UNO is to be maintained as an effectively functioning agency, it must rest on the solid foundation of good faith—not only the good faith of some of the member nations, but of all of them, including the Soviet Union."

The Baltimore <u>Sun</u> today said the present discussion might be called a long-range debate between Mr. Churchill and Mr. Stalin. It warned that oratory, "when it reaches the heights of Mr. Churchill's can produce evil as well as good. The only counter to it is cool, sober, and painstaking thought."

#### U.S. Desires Friendship With Russia

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The Washington <u>Post</u> said: "At New York Mr.Churchill clarified his proposal of 'fraternal association' on the part of the English-speaking peoples. 'I have never asked,' he said, 'for an Anglo-American military alliance or treaty.' He made it plain that what he has in mind is close cooperation between the United States and Great Britain to make the United Nations peace system a success. . . .

"The effect of Mr. Churchill's most recent speech, therefore, is to bring him into closer affinity with American policy. This policy is one of cordial relations with all our allies in the recent war, coupled with a determination, as President Truman said the other day, to support, defend and improve the charter of the United Nations. The yearning for friendship and understanding with Russia is great, but even greater is the conviction that free peoples must stand together to banish aggression from the atomic age into which we are emerging."

The New York <u>Post</u> said in part: "The most encouraging fact about the Churchill . speech last night is that it differed in tone from the Churchill speech of ten days before, though England's great wartime prime minister went to the length of

saying, 'I do not wish to withdraw a single word of the previous talk.

"It may be the wish of the British and American people 'to walk together in majesty and peace.' It is not their wish to walk together behind a common barrage of armed might aimed against the Russians and the other 2,000 million inhabitants of this earth who do not speak English and who do not share in the mystical 'destiny' imputed to Anglo-Saxons and Americans by Mr. Churchill. . . .

"If our guest desires joint possession of strategic bases throughout the world to safeguard the peace, then there is a type of joint possession which should prove equally reassuring to him and to the Russians as well -- and that is joint possession and occupation by all the powers, through the United Nations Organization.

"We cannot simultaneously and in good fuith, offer Russia on honored place in the van of the world organization while asserting that progress and freedom of all the people of the world 'depends, above all on the fearless exertions of British and American schemes of security! One cancels out the other,

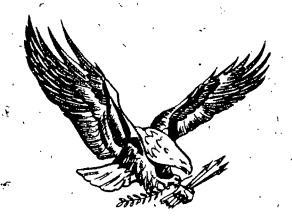
"Our alliance must be an alliance of one world and against all aggressors --whether in Poland or in Greece. . . . We have genuine difficulties with Russia
but we shall settle them in our own sensible way. We shall seek a solution in
the genuine spirit of . . . one-worldness."---USIS.

#### TRUMAN MEETS CHILEAN "CONSUL FOR LIFE"

Washington, March 17 -- President Truman yesterday received Senorita Gabriels Mistral, Chilean poetess and winner of the Nobel prize in literature for 1945.

At a press conference later at the Chilean embassy Senorita Mistral related that President Truman had expressed deep interest in cultural exchange between the United States and Latin America.

Senorita Mistral will leave Washington in a few days to take up her new post as Chilean consul in Los Angeles. A special Chilean law has made her consul for life and she is permitted to choose her own post.---USIS.



#### FOR IMMEDIATE RELEASE

# American Newsfile

## SPECIAL

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

#### U.S. ECONOMIC REVIEW

#### LABOR SHORTAGE AMIDST UNEMPLOYMENT

Washington, March 16 -- An estimated six million men and women now are not working in the United States due to realignment of the labor force and the lag of three months in reconverting the nation's industrial machine to full peacetime production. Originally scheduled to be completed by July 1, full reconversion is not now expected until October 1, because of controversies over the new wage and price patterns, readjustments of the working force and machinery, and shortages of materials and parts.

Realignment of the labor force is what the country is witnessing, rather than the severe postwar unemployment that many had predicted, for this reason: Labor shortages continue to exist in the midst of a plentiful overall supply of workers.

Men and women veterans discharged from the armed services are choosing their jobs carefully. Of the 10,600,000 veterans discharged to date, about one in four has applied for unemployment compensation because he could not find a suitable job. An estimated two million recently discharged veterans are not yet in the labor market.

Another three million veterans are scheduled for release from the armed services by next September. Of these, approximately 500,000 will go to college. That leaves an additional 2,500,000 in the labor market in the next few months. However, withdrawals of women, youths and old men from the labor market are expected to amount to about one million.

Added up, and with allowances made for a million workers retiring from jobs, the figures suggest that United States industry will be called upon to absorb about 7,500,000 persons by September if the country is to have full employment.

It is expected by that time that many of the present problems of nationwide labor dislocation will have been ironed out. However, at present, despite an active demand for workers in most industries and in most areas, the process of putting increased numbers on the payrolls is going slowly. Morkers are not yet available in all parts of the country.

Many civilian war workers as well as veterans are refusing to return to their old jobs because they have learned new skills and are seeking better-paid jobs than they had before. Others find they do not have the skills required to fill available jobs and are taking training courses to learn new skills. Low-paying jobs are proving unattractive in a period of high living costs, both to veterans and war workers who have grown accustomed to high wages. Meanwhile, employers, under Government pressure to provide increases through greater efficiency, are becoming more and more selective in their hiring.

Realignment of the labor force is expected to be hastened by the following factors in the months to come:

On the workers' side, by the fact that only three of every five persons in the working force are eligible for any type of unemployment compensation. Others who are eligible have not worked long enough to build up compensation credits. Still others have exhausted their compensation payments for this year and will not be eligible for further compensation until 1947. It is hoped also that the housing shortage, which prevented migration of many unemployed workers from former war production centers to new peacetime production areas, may be somewhat eased by September.

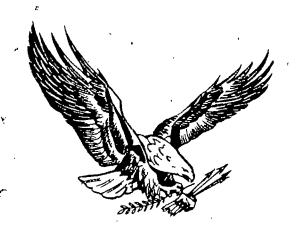
On the employers' side absorption of the labor force will be hastened by the need in certain major industries of large numbers of workers. Hundreds of thousands of workers will find jobs in the building trades and in industries producing building materials. Coal mining still needs men. Veterans who formerly worked in mines are showing a tendency to look for more attractive work, but many probably will go back as the employment situation tightens elsewhere.

#### Jobs In Retail Trades

Retail trades and services, long in need of help, can absorb many workers. The same is true of the textile and other low-paying industries.

Despite continuing troubles, production is currently about 50 per cent above the 1935-39 level. Non-durable goods, particularly, are being turned out at a rather high rate. Trade is holding up very well in dollar volume, indicating that there are goods to sell and production is feeding many lines of trade. Private construction in February broke peacetime dollar-total records. Exports of goods are running at a near-record rate in terms of dollars.

The point is that people are working and goods are being produced and sold, Troubles are centered in a few basic industries. But once those troubles are straightened out United States industry should start breaking records for peacetime production with a war-enlarged industrial machine and working force.---USIS.



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293 HORNBY ROAD, BOMBAY.

#### FAR EAST REVIEW

REPARATIONS ISSUE INVOLVED IN RUSSIAN ACTION IN MANCHURIA

Washington, March 16 -- Some key parts of the Far Eastern jigsaw puzzle were put into place last week with the publication of the United States views on Manchuria and the announcement of the forthcoming reparations order in Japan.

On March 5, the State Department released a statement on the United States views on the Manchurian situation as explained in Secretary of State James F. Byrnes' instructions of February 9 to the American embassies in Chungking and Moscow. It was the United States contention that according to the Sino-Soviet treaty and agreements of August 14, 1945, exclusive Sino-Soviet control over Manchurian enterprise would be limited to the railways. Extension of that control, according to United States concepts, are considered a violation of the Sino-Soviet treaty and of the "open door" principle.

The "open door" principle established at the turn of the nineteenth century by Secretary of State John Hay was in a sense an application of the most-favored-nation clause initiated by the United States many years earlier.

The most-favored-nation clause of the Sino-American treaty of 1843 initiated the principle of equal treatment in trade by China and of discrimination toward none. This prevented friction between China and foreign countries and among foreign countries themselves. But the principle broke down when certain powers obtained exclusive control over large territories in China because no two territories contained the same advantages. Secretary of State Hay, therefore, initiated the principle of "open door".

Reiterating the open-door principle, Byrnes said: "Under present conditions, when free access to Manchuria is denied Americans and other Allied nationals, it is felt that negotiation of agreements between the Chinese and Russian governments with regard to industries in Manchuria would be contrary to the principle of the 'open door', would constitute clear discrimination against Americans who might wish an opportunity to partake in the development of Manchuria industry, and might place American commercial interests at a distinct disadvantage in establishing future trade relations with Nanchuria."

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#### Japanese Owned Most of Manchuria's Industries

Byrnes also said that the whole question of reparations for Japan was involved

in the Manchurian affair, for a major portion of the industries of Manchuria were Japanese-owned. Considering the ultimate disposition of Japanese external assets a matter of common interest and concern to the Allies who defeated Japan, Byrnes said the United States was now preparing a general policy outline for consideration by the concerned Allied governments with regard to Japanese reparations.

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"It will be suggested that an inter-Allied reparations commission for Japan be established, and that one of the primary functions of this commission will be the final allocation of Japanese external assets among the various claimant nations," Byrnes said.

On the same day that Byrnes' statement was released in Washington, New York Times correspondent Lindesay Parrot, writing from Tokyo, said that a major directive on reparations was expected shortly from headquarters in Japan. It is expected, Parrot said, to be sweeping in scope, in accordance with the policy announced by Reparations Commissioner Edwin S. Pauley. This policy is to remove from Japan "everything that is not necessary to maintain a minimum standard of living not higher than of those countries against which the Japanese were aggressors."

The original program outlined to the Japanese by Pauley was first to make a survey -- a step which is now completed -- and then to lay before the Allies a picture of the amount of machinery, stockpiles, hoarded funds and other materials available, and so to begin negotiations over the share that each was to receive in compensation for its reparations claims.

Since Manchuria plays so large a part in the reparations picture, the United States looked with concern on the stripping of industrial plants in Manchuria by Russian troops. However, it is hoped in the United States that the Manchurian question will be settled fairly and peaceably on the basis of both the Sino-Soviet agreements and the principles of the United Nations Charter. ---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

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The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 20, 1946

#### BYRNES SAYS U.S. NOT IN FAVOUR OF BLOCS

Washington, March 19 -- U.S. Secretary of State James F. Byrnes, addressing a St. Patrick's Day dinner here on Saturday, declared that the United States does not "propose to seek security in an alliance with the Soviet Union against Great Britain, or in an alliance with Great Britain against the Soviet Union."

The United States, he explained, will stand with the United Nations "in our efforts to secure equal justice for all nations and special privilege for no nation."

In order to preserve and use its influence in support of the United Nations Charter, Byrnes said, the United States must maintain its strength. "No nation is more willing than the United States to participate in any reasonable plan for the general modulation of armaments," Byrnes said. "But while other nations remain armed, the United States, in the interests of world peace, cannot disarm."

The United States had permitted its armed strength to dwindle to token proportions by the time the Nazis attacked Poland in 1939, Byrnes said, and added:
"We learned that the example of weakness set by the United States did not compel
Italy and Japan and Germany to follow suit. Only the accidents of history gave

us two years in which to prepare before the blow fell at Pearl Harbor." But even that, Byrnes pointed out, was not sufficient preparation.

"This tragic experience," said Byrnes, "makes us realise that weakness invites aggression. Weakness causes others to act as they would not act if they thought that our words were backed by strength."

Byrnes urged, therefore, the extension of the Selective Service Act beyond its present expiry date of May 15, 1946, in order to provide sufficient men for the occupation of Germany and Japan, for the protection of U.S. surpluses overseas, for the continuing defense of the United States and for the fulfillment of U.S. committments under the Charter.

The United States, Byrnes said, looks to the United Nations as the path to enduring peace; but it would use its armed might, should the occasion arise, to support the purposes and principles of the Charter. However, Byrnes expressed his firm belief that the difficulties confronting the world, although they are serious, can be solved if they are approached by all in a spirit of conciliation and good will.---USIS.

Full excerpts of Secretary Byrnes' speech will be found in a Special with this issue of the Newsfile.

#### TRUMAN WILL NOT ATTEND SECURITY COUNCIL MEETING

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Washington, March 19 -- The White House announced today that President Truman would not be able to attend the opening of the United Nations Security Council in New York City next Monday because of the pressure of business.

As to the President's trip to Chicago on Army Day, April 6, White House secretary Ross stated that all details have not been definitely arranged but that the President plans to make the trip both ways by train. Originally, the President had intended to fly back to Washington for the Collier Award dinner, but the dinner has been cancelled as a food conservation measure.---USIS.

### U.S. PRESS SEES IN BYRNES! SPEECH DISSOCIATION FROM CHURCHILL'S "FRATERNAL ASSOCIATION" PROPOSAL

Washington, March 19 -- American newspapers, commenting on Secretary of State Byrnes' St. Patrick's Day speech, supported his call for universal military training as essential to adequately discharge American tasks of occupation and to fulfill obligations to UNO. Two editorials interpreted Byrnes' speech as tending to dissociate from Mr. Churchill's proposal for fraternal association and military collaboration between the United States and the British Empire, and as emphasizing the United States' determination to stand by the United Nations. They saw Russian actions in Iran as a move in the opposite direction, toward building a special "security" bloc.

The New York <u>Herald Tribune</u> said in part: "When Secretary Byrnes in his St. Patrick's Day address not only reiterated his demand for a universal military training system, but declared the temporary extension of the Selective Service Act to be 'imperative,' he was recalling the country to still another of those concrete issues which we must face up to -- the task of translating the broad and general principles of our foreign policy into practical, even if arduous, action.

"One of the most basic ... of those principles is that American policy in future must have effective and fully adequate military strength behind it. That strength is not intended for war, still less for domination of any friendly power. But it must be adequate to discharge our tasks of occupation, to fulfill our obligations to the United Nations Organization and to elicit from the strongest of the other armed powers -- which today unavoidably means the Soviet Union -- that same measure of respect which we ourselves readily and quite naturally accord to their might ... and without which agreed and durable solutions would become impossible....

"The Secretary of State now declares that if the draft act is allowed to expire in May 'the situation will become critical.' The President has asked for the extension as a matter of the utmost urgency....

Military strength in peacetime is not entirely a matter of numbers.... But it is always and fundamentally a matter of the unity, resolution, the purpose which a people is ready to put behind such forces.... If we must show firmness in our policy abroad, we must show that we are equally capable of firmness abroad and sacrifice at home."

The Washington Post said in part: "There is no mystery in Secretary of State Byrnes' keen interest in continuation of selective service. As director of our foreign relations, he knows from first-hand information the powerful influence of military strength upon the international policies we are espousing. 'Tragic experience,' he says, make us realise that weakness invites aggression. If the United Nations is to succeed in establishing a reign of law in the world, it will be only through the strength of the nations working toward that end.

#### Charter Is Solemn Obligation To Use Force If Needed

"We ought to face this situation.... The United Nations Charter is not just another pious agreement to abolish war. It means for us a solemn obligation to use our force, along with that of other peace-loving nations, if and when it becomes necessary, to arrest aggression and to protect the rights of peoples and nations set forth in the Charter. The United States could not possibly play the role it has essayed in weakness. Consequently, our armed forces must have a continuous, even though a generally reduced, flow of recruits into military training centers. To neglect this elementary requirement in the present trying period of transition from war to peace would be to jeopardize much of what we have won at a staggering cost."

The New York <u>Times</u> said in part: "Both Secretary Byrnes and British Foreign Secretary Bevin have spoken of the troubled international situation over the weekend, and largely to the same effect. They dissociated themselves and their governments from Mr. Churchill's proposal for fraternal association and military collaboration between the United States and the British Empire, and again emphasized

their determination to stand by the United Nations....

"It is through the United Nations Organization that they propose, in Mr. Byrnes' words, to seek equal justice for all nations and special privileges for none, to fight the ancient and discredited doctrine that might makes right, and to make force the servant and not the master of reason.

"Yet, even while they spoke, the 'powerful currents' which Mr. Byrnes saw loose in the world today continued to drive it in opposite direction. For Russia, which has been building a special 'security' bloc all around her, has now taken another long step to bring another country, Iran, within that bloc. She not only continues to maneuver her troops on Iranian soil in open violation of acknowledged treaty obligations, but has also officially 'advised' the Iranian Government, which has already made one appeal to UNO, not to do so again as Russia would regard such move as an 'unfriendly act.' The Iranian premier, in a stand little short of heroic, has not only informed the United States and Britain of the Russian threat, but has also reiterated his resolve to bring his country's cause before the Security Council.

#### Danger Of Power Blocs

"If small nations can be prevented by outside pressure from appealing to the Security Council then the United Nations Organization is in an even worse state than the League of Nations. It would then openly become an arena for maneuvers of big powers; small nations would be reduced to pawns and satellites, without a voice of their own. Power blocs would then inevitably acquire increased momentum. Justice and peace would have to seek refuge in the power balance thus established.

"For all these reasons, the case of Iran has become, above all others, a test case involving not only the fate of one country but of the whole United Nations Organization. It has become therewith a question of future organization of the world."

The Philadelphia Record said in part: "Byrnes definitely repudrated Churchill's

suggestion for something the former prime minister calls 'fraternal association' with this country to but which most of us have interpreted as a military alliance.

"He said clearly that this country seeks neither an alliance with Britain against Russia, nor one with Russia against Britain. But he agreed with Churchill in placing responsibility on UNO for settlement of the issue in which all current controversies come to a head -- Iran....

"UNO meets in New York in a week. Fe will soon know Russia's intentions.

More, we will soon know the strength of UNO. We have hopes that answers to both will be favorable for world peace -- that Russia will let Iran present her case, that UNO will be able to solve it. If UNO is unable to solve the dispute we will have to go back over Churchill's speeches, consider again the question of a military alliance outside UNO. Not because we want an alliance but because it will be the only security we have left in the world."---USIS.

#### POLAND INFORMED FOOD SUPPLY POSITION IS "HIGHLY CRITICAL"

Washington, March 18 -- The White House today released the texts of messages recently exchanged between President Truman and Boleslaw Bierut, President of Poland, regarding intended reduction by UNRPA of quotas, particularly grain, for Poland.

Bierut said the news finds Poland with domestic reserves so low that he has asked the President, in cooperation with UNRRA and the Combined Food Boards, to assure Poland minimum supply of 500,000 tons of grain, and "at any rate, to avoid reducing it below the 350,000 tons to which UNRRA gave its agreement."

In reply, President Truman pointed out that while the United States does not control administration of UNRRA's fund, he had consulted WMRRA's director general and been told that the "outlook is highly critical and supplies will undoubtedly fall far below the level we would all wish to achieve."

President Truman also stated that UNRRA has never undertaken to supply any specific amount of grain, because shipments are controlled entirely by the amount made available by supplying countries. --- USIS.

#### U.S. SUPPORTS ITALIAN MEMBERSHIP OF WORLD BANK AND FUND

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Washington, March 19 -- Some of the reasons for United States support of Italy's entrance into the International Monetary Fund and the International Bank for Reconstruction and Development, which was announced March 14 from the monetary conference in session near Savannah, Georgia, were explained by an official of the State Department.

Italian membership, he said, is entirely in the interests of all Europe: We cannot get Europe back on her feet without getting Italy back too. Any recovery on the part of 45 million Italians is greatly in the world's interest, and membership in the Bank and Fund would speed that recovery.

While the United States has publicly announced its support of Italy's application as well as those of Syria and Lebanon, Greece has protested against the proposed Italian membership. This will, according to the rules, be investigated by the executive directors.

Although certain European countries want reparation payments from Italy, the United States holds to the principle that while a country is liable to reparations, actual payments should be limited to token amounts.

It is pointed out that Italy has always been weak, and became weaker during the fascist regime through its totalitarian form of government and its military ventures. When Italy surrendered and entered the war on the side of the Allies, a large burden was placed upon her. She contributed to the war effort with supplies, and suffered a considerable drain on her economy.---USIS.

#### FORDHAM UNIVERSITY TO HONOR TRUMAN

Washington, March 19 -- President Truman has accepted an invitation from Fordham University to receive an honorary degree of doctor of laws on May 11 at ceremonies marking the centenary of the university's charter.---USIS.

#### MYRON TAYLOR RETURNING TO VATICAN POST

Washington, March 18 -- Press Secretary Ross today told the press that Myron Taylor is returning to Rome as personal representative of President Truman to the Vatican. Taylor has been on vacation in the United States for several months and is going back in the same position he has held since his appointment by President Roosevelt, Ross said.

Ross denied a radio statement made last night reiterating previous charges that the Fresident knew in advance what was to be in Winston Churchill's speech in Fulton and that the President had discussed the speech with Churchill on the occasion of the latter's visit to the White House on February 16.

#### Bernard Baruch for UNO Atomic Commission

Ross revealed that the President has selected Bernard Baruch, noted financier and unofficial adviser to U.S. Presidents for many years, as United States representative on the United Nations Atomic Energy Commission. The nomination will be sent to the Senate.

Baruch's record of service is long and includes his work as chairman of the National Resources Board during World War One and his more recent services in connect with investigations into the nation's resources, both for war and peacetime.purposes.

Ross said the President will also send to the Senate the nomination of Oscar Chapman to be under secretary of the interior, succeeding Abe Fortas, who resigned. Chapman was assistant secretary of the interior, and, when Ickes resigned, acted as head of that department. --- USIS.

#### BYRNES! REPORT ON FIRST SESSION OF UNO ASSEMBLY SEMT TO CONGRESS

Washington, March 19 -- President Truman today transmitted to Congress a report by Secretary of State James F. Byrnes on the activities of the American delegation to the first part of the first session of the United Nations General Assembly, from January 10 to February 14 in London.

The President's letter of transmittal said in part: "The United States supports... fullest implementation of the principles of the Charter. The United States seeks to perfect the Charter as experience lights the way.... In this essential effort of the peace-loving nations... to do our utmost will be to give new and full expression to the meaning of 'America' to the world"

Secretary Byrnes' letter of transmission to the President, dated March 1, said in part:

"The first formal session of the 51 nations united under the Charter . . . . opens a new chapter of active collaboration of the United Nations for the maintenance of peace . . . . and for the encouragement of relations and promotion of conditions conducive to peace throughout the world. . . .

"The first part of the first session in London was intended to be primarily organizational. . . .

"However, the Organization was confronted, even before it was organized, by problems of two types: first, broad problems of concern to many states or to the whole world, such as the food crisis, control of atomic energy, trade and employment, health, and refugees; and, second, specific problems such as Spain and the country problems dealt with by the Security Council concerning Iran, Greece, Indonesia, and Syria and Lebanon. . . . I believe, and I think my views are widely shared, that these unexpectedly hard tests encountered even before organizing problems could be solved were met with courage, with success, and with hope for the future. The organization was effectively established and substantive problems were faced with frankness and resolution. Participating nations demonstrated, by their firmness of expression in discussion, the weight

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they attach...

attach to the Organization and to decisions reached.

"We have taken a constructive step on the long road to peace and all that peace can bring to man. . . . How well we can advance on the way will depend upon the support given the United Nations by the governments and peoples which compose it. Their support should be forthcoming because their common interests far outweigh any conflict in interest that might divide them.

"The United Nations is now a going concern. Its principal organs and their working bodies have begun to function. . . .

The only major organ provided for in the Charter which it was not possible to set up at this first part of the first session was the Trusteeship Council. This was due not to a lack of desire but to the fact that, although the necessary negotiating steps by the states directly concerned are under way relative to certain mandated territories, these negotiations have not yet reached a point where the terms of the Charter for establishment of the Council can be fulfilled. There is reason to expect, however, that this can soon be done. . . .

"The Commission on Atomic Energy calls for special mention. It is with a feeling of gratification -- indeed with a feeling that a great step forward has been achieved -- that I can say that the proposal agreed upon in the meeting of the foreign ministers of the United States, the United Kingdom, and of the Soviet Union at Moscow in December 1945 for a special commission to deal with this awe-some problem was accepted unanimously by the United Nations Assembly, and that the carrying out of the great responsibilities of the Commission will now begin as soon as the Commission can meet in the United States.

"Many other decisions essential to the ordorly working of the new Organization or important in specific fields of interest were taken during the five weeks session.

#### Working Center of Cooperation

"We are entitled to feel encouraged by this constituent meeting of the General Assembly of the United Nations. . . . Despite all difficulties, the net re-

sult of this initial session has been to provide for peace-loving nations a working center of cooperation.

"The program of international activity immediately in prospect is heavy, and will demand a wide range of participation by the United States. . . .

"Not only will many of . . . the meetings and activities take place in the United States but, in particular, there will be established here the permanent home of the United Nations This . . . . throws upon the American people a great responsibility, which will require us to live up to the best and finest in the American tradition. . . ."

Byrnes' report included three main parts: Preparation for the General Assembly, establishment of a functioning organization, and major substantive problems.

The concluding part of the roport declared that the United Nations Organization, "created to be used to attain the common good of its members, has come to life in an atomic age, when the outcome of its work is vital for all mankind. The United Nations, in peace as it was in war, is a standing bulwark against catastrophe. That it can deal with disagreement between nations and can then find areas of agreement among all on the hard, realistic issues of international relations, as occurred in the meetings in London just ended, is a good augury for the future."

#### WINANT RETURNING "FOR SHORT TIME" TO LONDON EMBASSY

Washington, March 19. -- U.S. ambassador to Britain John G. Winant, who conferred with President Truman Monday, said that he planned to return to England April 1. Winant told newsmen after the conference that he was returning for a short time, adding that he had gone to London to do a wartime job, which he thought was about finished. He has held his present post for five years.

Winant, who is U.S. representative on UNO's Economic and Social Council, said the next meeting of the Council would be held May 25 and that he probably would attend.---USIS.

#### U.S. HAS NO PARTISAN INTEREST IN GREEK FLECTIONS, BYRNES SAYS

Washington, March 19 -- Secretary of State Byrnes today issued the following statement at his news conference in reply to a question: "What about the Greek elections? Will they take place on March 31 as scheduled?"

As friends of the Greek people, we are interested in seeing them elect a representative government. We believe that only when the Greek people have freely expressed their will at the polls, and the government of their choice has taken office, can the work of reconstruction, which is so vital to the welfare of Greek go forward satisfactorily. Accordingly, this Government would like to see fair and free elections held in Greece at the earliest practicable date. The timing of the elections is, of course, a matter for the Greek Government alone to decide

The American mission to observe the Greek elections has completed its preparations, and, together with its British and French counterparts, will be at posts: throughout Greece ready to discharge its observation functions on March 31, the date which the Greek Government has set for the elections. This Government has absolutely no partisan interest in Greek affairs. It sincerely desires that the Greek elections be carried out by the free suffrage of the entire electorate.

#### EDWIN LOCKETO WORK ON U.S. GOVERNMENT REORGANIZATION PLAN

Washington, March 19 -- White House press secretary Ross announced that the President has appointed Edwin A. Locke, Jr., as special assistant to the President He will work on the plan for Government reorganization.

Recently Locke has been serving as adviser on economic affairs in China. He has been in Washington Government service about five and one-half years, first as assistant to Donald Nelson, then chairman of the National Defense Advisory Council, later in the same capacity with Nelson when the latter was head of the Offic of Production Management and the War Production Board.

He again assisted Nelson when President Roosevelt appointed Nelson to represent him in aiding China solve her economic problems. When Nelson left that position in May 1945. Locke succeeded him and made three trips to China.

Besides his work on the Government organization plan, Locke remains available for any duties the President may assign. --- USIS.

#### U.S. NAVAL CHIEF IN EUROPE TO PAY COURTESY CALLS TO MEDITERRANEAN PORTS

Washington, March 19 -- Secretary of Navy Forrestal announced yesterday that Admiral H.K. Hewitt, commander of the U.S. naval forces in Europe, will pay visits of courtesy to various ports in the Mediterranean during April aboard the USS Missouri.

The <u>Missouri</u>, escorted by the USS <u>Power</u>, a destroyer, and for part of the time by USS <u>Providenco</u>, cruiser flagship of Rear Admiral Jules James, commander of the U.S. naval forces in the <u>Mediterranean</u>, is scheduled to call at Gibraltar, Istanbul, Piraeus, Naples, Algiers and Tangier. The primary purpose of the cruiso is to return the body of the late Turkish ambassador Mehmet Munir Ertegun to his country. This is a courtesy commonly extended to anbassadors who die abroad.

The <u>Missouri</u> will leave New York March 21. On board will be Kadri Rizan, chief of protocol in the Turkish foreign office, and Alexander W. Weddell, representing the State Department. The <u>Missouri</u> will arrive at Gibraltar March 31, at which time it will be joined by the <u>Power</u>. Admiral Hewitt, whose headquarters are in England, will board the <u>Missouri</u> and hoist his flag on its arrival at Gibraltar, and the next day will sail in company with the <u>Power</u> for Istanbul. They will be joined en route by the <u>Providence</u>.

In the afternoon of April 4, two Turkish destroyers will meet the American squadron at sea and escort them through the Dardanelles. The <u>Missouri</u> will anchor in the Bosphorus off Istanbul on April 5, after which the ambassador's body will be taken ashore.

The squadron will remain four days at Istanbul and the ships will be open to visitors. The ships will leave Istanbul April 9, the <u>Power</u> and <u>Missouri</u> for Piraeus and the <u>Providence</u> probably for Naples.

The two ships will leave Piraeus on April 14 and will reach Naples the next day and remain there until April 22. The next day they are scheduled to be at Algiers. Leaving Algiers April 26, the Missouri is to proceed to Tangier, where

she will remain with the <u>Power</u> until April 30. She will then return to Gibraltar and from their sail for the United States.

The Greek Government has announced its intention to decorate Admiral Hewitt and other officers while the ships are in a Greek port.---USIS.

#### TRUMAN DESIGNATES MAY 19 AS "I AM AN AMERICAN DAY"

Washington, March 19 -- President Truman has designated Sunday, May 19, as "I Am An American Day," in accordance with resolution passed by Congress in honor new American citizens.

In a proclamation setting the date this year, Truman referred to "our numerous citizens of foreign birth who have shown loyalty and fidelity to their citizenship in the performance of all tasks which helped to bring final and complete victory over the enemies of the country which those citizens made their own by naturalization."

President Truman called for this day to be a "public occasion for honoring American citizenship by giving special recognition to all our nations who have recently become full members of the body politic."

If the patterns of previous years is followed, public ceremonies in thousands of communities throughout the nation will honor newly naturalized citizens, with many taking oaths of allegiance at gathering. --- USIS.

#### UNO SECRETARY GENERAL ARRIVES IN U.S.

Washington, March 18 -- Trygve Lie, Secretary General of the United Nations Organization, arrived in Washington by plane today. He was met at the airfield by several U.S. State Department officials and driven to the Blaire-Lee House, where he will reside with members of his party until he leaves for New York on Thursday.

Following his arrival the Department released a statement by Secretary of State Byrnes which said that he would be particularly happy to welcome Mr.Lee to this country.---USIS.

#### BYRNES DENIES SECRET BIG THREE AGREEMENT ON ITALIAN COLONIES

Washington, March 19 -- Secretary Byrnes, in reply to a query at his press conference today, said there was no secret agreement among President Roosevelt, Prime Minister Churchill and Generalissimo Stalin at Teheran regarding Italy's colonies and fleet.

He said his own personal knowledge is that at the foreign ministers meeting in London in September the Italian question was discussed at some length for days and neither the representative of the Soviet Government nor the representative of Britain ever made a statement that there had been any agreement of any kind at Teheran on the subject.

Answering other queries, Byrnes said no proposal of any kind has been made to him regarding an alleged decision to bar newsmen from all sessions of the Paris Peace Conference except the opening and closing ones. Byrnes said there was no postponement of the Paris Peace Conference and there has been no mention made to him by any government that it should be postponed. He said he saw no reason why it should be postponed.

Byrnes said he had not yet read the Spanish statement on the publication of documents captured by the United States linking the Franco Government to the Axis.

Regarding the United States position with reference to placing the Spanish question before the Security Council, Byrnes said the State Department has not yet forwarded any answer to France, but that this morning he had signed a message which is an answer. The United States adheres to its position as stated in its preceding message to France on the subject, he added.

Byrnes said the State Department has not sent any new note to Russia on the subject of the Iranian or Manchurian issues. He said the United States has not received any replies from the Soviet Government to its earlier notes on these issues. --- USIS.



#### FOR IMMEDIATE RELEASE

### American Newsfile

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

#### BYRNES WARNS WEAKNESS INVITES AGGRESSION

New York, March 19 -- Following are full excerpts from Secretary of State Byrnes' address before the Society of Friendly Sons of Sarat Patrick on Saturday night:

We Americans realize that the victory over the Axis was not an American victory alone. The victory was won by the peoples of many countries, welded together in a powerful alliance. But as Americans we are pround that we contributed mightily to the defeat of Japan.

We Americans love peace. We are a nation of civilians, not soldiers. It is fundamental to our system of government that military authority be subordinate to civilian authority.

Even in the midst of total war, we have maintained this principle. The American soldiers and sailors who made military history from New Caledonia to Tokyo and from North Africa to Berlin were not professional soldiers and sailors. They were civilians in uniform. This is a fine tradition. Having preserved it in war, we should not relinquish it in peace.

The problem is how to reconcile our civilian traditions with the necessity to maintain our military strength at a level to match our responsibilities in the world.

No nation is more willing than the United States to participate in any reasonable plan for the general reduction of armaments. But while other nations remain armed, the United States, in the interests of world peace, cannot disarm.

#### Growth of Pacificist Sentiment

Between 1918 and 1941 there grew up by this country an important body of pacifist sentiment. The dominant theme of this movement was that the way to end war was not to prepare for war. It was argued that plain men the world over hated war and that there would be no more war if all these plain men simply refused ever to right again. If the United States were to scrap all its armaments and completely demobilize its army and Navy, it was said, the force of its example would compel the rest of the world to follow suit. The peaceful instinct which underlines this point of view is an admirable one. The trouble with the idea is that it does not work

Without consciously deciding to do so, we actually tried it. By the time the Nazis attacked Poland in 1939 we had permitted our armed strength to dwindle to token proportions. When the war came and the realization slowly grew upon us that we could not be spared, we regretted that we were not prepared. The political parties then initiated each other for the lack of preparedness. The argument was no substitute for weapons.

We learned that the example of weakness set by the United States did not compel Italy and Japan and Germany to follow suit. On the contrary, our weakness incited them to ever bolder aggressions. Only the accidents of history gave us two years in which to prepare before the blow fell at Pearl Harbor.

Those two years were not enough to repair the damage. We were not ready on December 7, 1941, and the consequence was that brave men died to regain the ground we could not hold in the first weeks of war.

This tragic experience makes us realize that weakness invites aggression. Weakness causes others to act as they would not act if they thought that our words were backed by strength.

#### Selective Service Must Be Extended

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Today, there is grave danger that the sense of relief which accompanies the end of the war may cause us once again to do unwittingly what we would never do consciously. No one in or out of the Government desires to extend for a single day more than is necessary the enforced separation of men from their families and from their peacetime business or employment. But those who bear the responsibility for the security and welfare of the nation are alarmed at the possibility that sufficient numbers of physically fit men will not be available to replace those who have earned the right to return to their homes.

This is true now, while the Selective Service Act is still in effect. If the act is permitted to expire on May 15 of this year, the situation will become critical. It is imperative that the act be extended at least for the period in which the Army and the Navy have the multiple responsibility for the occupation of Germany and Japan, for the protection of our surpluses overseas, for the continuing defense of the United States, and for the fulfillment of our commitments under the United Nations Charter.

It is even more important, in the long run, that we have at all times a reserve of trained men who can be called upon in case of need. A number of methods have been proposed for obtaining this trained reserve. As Secretary of State, I desire to emphasize my wholehearted and unequivocal endorsement of the proposal for universal military training. An intelligently organized and administered system of universal military training will not undermine the American tradition of the subordination of military authority to civilian authority.

As for the effect of the training upon the boys, I can see no cause for alarm. It is is not realistic to say, as some do, that a period of military training will turn our spirited and independent young men into unthinking brutes. If we are to take the word of the old timers among the master sergeants and chief petty officers, American recruics have always displayed a phenomenal capacity to withstand education in the military way of doing things. If we need fear anything about the effects upon our boys of a brief period of military training, it is that they will learn too little about being soldiers and sailors rather than too much.

#### Drawbacks of Standing Army

If we are agreed that it is necessary for the United States to preserve an adequate degree of strength, it is well to remember that the only real alternative to military training is the maintenance of a large professional standing army and navy. This is an alternative which experience has shown to be a threat to civilian government. It is alternative which we should accept only as a last resort.

A system of universal training will keep our armed forces from becoming fixed in their ways and habits. Teachers frequently learn from their pupils. Youngsters will not readily respond to training in methods which they know to be outmoded. Our defense in the modern world depends upon the mobility and flexibility of our armed forces and their ability to make use of and keep up with the advance of science.

It must be acknowledged that universal military training involves a major change in our society. Consequently, the people of the United States have a right to know the purposes to which this reserve military strength may some day be utilized. This is a fair question. It deserves a fair answer.

The answer is simple. The United States is committed to the support of the Charter of the United Nations. Should the occasion arise, our military strength will be used to support the purposes and principles of the charter.

I cannot emphasize too strongly that the United States looks to the United Nations as the path to enduring peace.

We do not propose to seek security in an alliance with the Soviet Union against Great Britain or in an alliance with Great Britain against the Soviet Union. We propose to stand with the United Nations in our efforts to secure equal justice for all nations and special privilege for no nation.

We must maintain our strength, therefore, for the primary purpose of preserving and using our influence in support of the Charter of the United Nations. We will not use our strength for aggressive purposes. Neither will we use it to support tyranny or special privilege.

#### Spirit of Conciliation Urged

I firmly believe that the difficulties confronting the world, although they are serious, can be solved if all of us approach those difficulties in a spirit of conciliation and good will. There are powerful currents loose in the world today. But the currents of life cannot be stopped in their courses. We live in a moving and changing world. There is no reason to fear an open and vigorous contest between our conception of democracy and other political faiths. The voice of democracy is as thrilling today as it was yesterday. In a conflict of ideas we can be confident of victory.

The important thing to remember is that a war of ideas is not won by armies in international life. There can be progress without war if reason and force is recognized as the test of progress.

The basic purpose of the United Nations is to make force the servant and not the master of reason and to reject the ancient and discredited doctrine that

might makes right.

After every great war there comes a period of anti-climax and disillusionment. Those who fight together expect, when the fighting is over, too much from one another and are inclined to give too little to one another. Those who have wen the victory expect the millenium and feel that they should have the fruits of victory without further effort.

They forget that victory in war can only give the opportunity that would otherwise be denied, to live and work for the fruits of peace and freedom.

Having been forced to fight for military victory, they sometimes think that whatever they want should be taken by force, instead of making their claims the basis for peaceful negotiations.

It takes time to pass from the psychology of war to the psychology of peace. We must have patience, as well as firmness. We must keep our feet on the ground. We cannot afford to lose our tempers.

I am deeply convinced that the peoples who fought together for freedom want to live together in peace. I am deeply convinced that the peoples of the United Nations are sincerely committed to the Charter.

There are always some of little faith, some who still believe that they cannot get their due except by force. There are others who still believe that ancient privilege will yield to nothing but force of arms.

But with firmness in the right not as we alone see it, but as the aggregate sentiments of mankind see it, and with patience and understanding we must and shall achieve a just and enduring peace for ourselves and all nations.---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

#### ISSUED BY THE UNITED STATES INFORMATION SERVICE

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-The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 22, 1946

#### TRUMAN SAYS UNO MUST MEET ITS RESPONSIBILITIES

Washington, March 21 -- President Truman, at his press conference today, in reply to a question, said the schoduled UNO Security Council meeting in New York will not be postponed and will go on next Monday as scheduled. At that time, he said, the United States would press for action on the Iranian request.

Asked if he would discuss this with Soviet Ambassador Andrei Gromyko, Truman said if Ambassador Gromyko brings the subject up he would discuss it with him.

(Gromyko today told the press he plans to leave for New York in a few days and might see the President before leaving Washington, although he has no such plans for the time being.)

Replying to other questions, the President said he had no plans for a meeting of the Big Three but that he would be glad to see any of the members of the Big Three at any time. He said the United Nations is supposed to take over the things that were discussed in the Big Three meetings and he thought the United Nations ought to take that responsibility, if we are going to have peace in the world.

The President said Secretary of State Byrnes would read his (the President's) message of welcome to United States to the opening meeting of the Security Council Monday.

When asked

When asked what would happen if Russia insists on postponement of the Sccurity Council meeting and the United States insists on the scheduled opening, the President suggested that the best way to find out would be to attend the meeting.

Asked whether he would discuss foreign affairs in his Jackson Day dinner address Saturday night, the President said he would do so only incidentally, since it would be primarily a political speech.

When asked what he felt about retiring director general of UNRRA Lehman's suggestion that the United States and other nations return to wartime food rationing, the President said he would approve of it if it becomes absolutely necessary.

---USIS.

#### SOVIET AMBASSADOR SEES BYRNES

Washington, March 21 -- Soviet Ambassador Andrei Gromyko, who spent 18 minutes with Secretary Byrnes today at his own request, later told the press he believed postponement of the Security Council's consideration of the Iranian communication would be a "logical action" and one which would benefit Iran itself.

Gromyko said he had brought no communication with him to the State Department today.

A State Department official today said that Gromyko's visit to Secretary
Byrnes today was a courtesy call and that nothing was discussed affecting relations of the two governments. It was reported that Byrnes had not seen Gromyko since January in London.---USIS.

#### SENATE COMMITTEE VOTES GEN. SMITH'S APPOINTMENT

Washington, March 20 -- The Sonate Foreign Relations Committee voted unanimously today in favor of the nomination of Liout. Gen. Walter Bedell Smith to be now United States ambassador to Russia.

President Truman nominated General Smith to succeed recently resigned ambas-sador W. Averell Harriman. General Smith, who by special legislation is permitted to retain his military rank, was chief of staff for General Eisenhower in the European theater.---USIS.

#### SECURITY COUNCIL FACES CRUCIAL TEST

Washington, March 20 -- Two leading newspapers and one nationally syndicated columnist commented today that the UNO Security Council faces a new test as the result of Iran's action in asking the Council to consider the question of the continued presence of Russian troops in Iran.

A Washington Post editorial said in part: "If Iran had failed to submit her dispute with Russia to the Security Council, Great Britain or the United States would certainly have done so. The situation that has developed in Iran is one which other members of the Big Three could not safely ignore. Thus, at the very outset of its second session, the Security Council will be confronted by a major crisis. There is real encouragement, however, in the fact that, despite this action of the Iranian Government, both Washington and London note a slight easing of the tensions that mounted last week following news of Russian troop movements in Iran. . . .

The Russians, meanwhile, are building up a case for acquisition by them of oil concessions in northern Iran. Taken in itself, this demand has some measure of justice behind it. . . . Agreement on this point can best be sought through creation of an international corporation for control of Iranian oil. But the first step is for Russia to move her troops out of Iran, as she is pledged to do."

The New York <u>Times</u> commented editorially: "After attempting to reach an amicable agreement by direct negotiations, as instructed by the first session of the Security Council, the Iranian Government repeats its previous accusations of Russian interference in Iranian affairs. . . . At the same time, President Trumar has emphatically reiterated to Congress that the United States is determined to do its utmost to support the principles and purposes of the United Nations Charter. . and that to do anything else would be a betrayal of the trust of those who fought for peace, security and woll-being for all.

"These two actions make it certain that the crucial Iranian question -- which is not merely a question of oil, but a question of sanctity of treaties, of

the fate of small nations, of relations between the Russian colossus and the British Empire, and of peace itself -- will again confront the Security Council as a decisive test of the United Nations Organization. . . . But however turbulent the New York session may become, it can never be as violent as military action. A hopeful aspect of the situation is that, though refusing to reply to either American and British inquiries about the purposes of its troop movements in Iran, the Russian Government, nevertheless, appears to have abandoned them. . . . The issue remains in doubt, but by providing a forum in which it can be discussed and perchance settled, the United Nations Organization has already fulfilled one of its most important functions."

Columnist George Fielding Eliot said in part: "There is no getting away from the fact that the spotlight of world attention is now turned on this Iranian situation. It symbolizes to all worried little peoples of the world their own fears and their own anxieties. It may be very wrong of them to feel that way. It may be very wrong of them to expect the newly born and ill-prepared Security Council to act effectively. But act it must, or suffor a loss of confidence which will go far toward wrecking its usefulness for the future."---USIS.

## MORE U.S. COAL SHIPPED TO EUROPE IN FEBRUARY

Washington, March 20 -- Allocation of about 1,600,000 tons of coal for export from the United States to Europe and North Africa in each of the months of March and April has been confirmed by the United States operating committee of the Combined Coal Committee. This was announced yesterday by the Bureau of International Supply of the Civilian Production Administration.

The announcement also stated that between last August 1 and end of February of this year, the United States has exported to Europe and North Africa about 9,200,000 tons of coal, an average of 1,320,000 tons monthly.

February exports to Europe and North Africa rose to 1,870,000 tons, due to the easier coal supply position. April allocations are subject to contingencies that may arise if the current bituminous coal industry contract negotiations result in suspension of mine operations.---USIS.

## BLUM CONFERS WITH PRESIDENT TRUMAN

Washington, March 21 -- Leon Blum, former prepaler of France who arrived here Monday on a special financial mission for the French Government, and French Ambassador Henri Bonnet conferred for half an hour today with President Truman.

Later, Secretary of State Byrnes gave a luncheon in Blum's honor.

After his conference with the President, Blum expressed deep appreciation for the cordial reception he had received at the White House.

He said he told the President of France's desire to work in the same direction as the United States in building up an international organization for security, with France cooperating along both political and economic lines. France has a liberal economic and financial policy, which is part of her international policy as a whole, Blum said he told the President.

Blum explained that France would help under all circumstances to rebuild international trade. He said, however, that if France is not helped in her own economic restoration it might be longer before she would be able to remove all controls from her international trade.

He said also that he assured President Truman that France would participate in the International Trade Conference proposed by the United States and expected to convene some time this year.

Blum informed reporters that he had talked with Secretary of Treasury Vinson at a dinner at the French embassy last night and that he would see Vinson again. He said he expected to present to the National Financial Advisory Council next. Monday a statement on French needs.---USIS.

## IMPROVED WHEAT VARIETY PERFECTED

Washington, March 21 -- The Agriculture Department has announced that "Cadet," a new hard red wheat for growing in the northern spring whoat region, has been perfected. A ten-year period of breeding was required to produce the Cadet, which was introduced as a "further stop in the continuing effort to perfect new and better varieties of wheat."--USIS.

## VINSON URGES CONTINUED INTERNATIONAL ECONOMIC COOPERATION

Washington, March 21 -- A call for continued cooperation on economic probloms by the peoples of the world through the World Fund and Bank was made here
Tuesday night by United States Secretary of Treasury Fred M. Vinson and Mexican
ambassador Dr. Antonio Espinosa de los Monteros, over the Columbia Broadcasting
System.

Both reported on the recent inaugural meeting of the World Fund and Bank at Savannah, Georgia. Dr. Monteros is governor for Mexico of the Fund and Bank and Vinson is chairman of the boards of governors of the two institutions.

Dr. Monteros said: "The people of the United Nations are determined to cooperate in the prevention of war. It is not enough for countries to cooperate on political problems; it is equally important to cooperate in eliminating the economic causes of war."

The new monetary institutions, he said, will earble the Latin American countries to develop their nascent industries and this will in turn strengthen the south in the preservation of peace.

The basis for all trade, he declared, must be the confidence that fair currency practices will give to all countries and the World Fund will give the countries of the world an opportunity to restore and expand trade.

Dr. Monteros concluded: "I feel that I speak for all of the governors of the Fund and Bank when I say to Secretary Vinson that he will have our wholehearted cooperation in this great venture toward a better world."

Vinson said in part: "One of the most encouraging features of the inaugural meeting was the determination of the governors for all countries to make the Fund and Bank the means for successful cooperation among nations on monetary and financial problems. I am grateful to Dr. Monteros for his assurance of the continued cooperation of the governors of these two institutions. It augurs well for the future of the World Fund and Bank.

"If you ask what we did at the inaugural meeting of the World Fund and Bank,

I answer briefly: we put the breath of life into the two institutions which have the task of dealing with the world's international financial problems. In these two institutions 40 nations have placed their faith that financial problems can be solved in a mutually advantageous and peaceful way.

"Any impression that the World Fund and Bank are concerned solely with technical problems, of interest only to bankers and economists, is incorrect. In truth they are concerned with some of the most important problems of everyday life. How we meet these problems will determine in large part whether the world will again go through devastating cycles of war and depression or whether at long last the cherished droam of man for peace and prosperity well be fullfilled."

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Vinson warned that the world Fund and Bank must not become just two more institutions, but that they must serve to lay the economic foundation for a better world. One cannot build a prosperous world, he said, with sick and hungry men, or have a prosperous America in a world of depression. These are international problems, he pointed out, and they can be solved only by international cooperation.

Vinson added: "The Savannah meeting showed that all countries are deeply conscious of the urgent necessity of making the Fund and Bank work. On matters of minor detail, there were differences of cpinion. They were ironed out by discussion -- another proof that the democratic process of discussion and agreement can be made to work. On that fundamental principle, all countries were united. That is why the inaugural meeting has given us all new faith that international cooperation can and must work. The World Fund and Bank are far too important to be left entirely to the management of technicians. They would wither and die if they were concerned merely with the lowest operations.

"The people of all countries must insist that their representatives on the World Fund and Bank should not seek petty and temporary advantages. They must be operated for the benefit of man. They are too important to the world to be endangered by short-sighted policies.

"The task of maintaining peace and prosperity is not a one-day job. It requires the continued cooperation of the people of the world, everywhere, always!---USIS.

## TRYGVE LIE VISITS TRUMAN

Washington, March 20 -- UNO Secretary General Trygve Lie called on Secretary of State Byrnes today and after the two statesmen had conferred, Secretary Byrnes escorted Secretary General Lie to the White House for a half-hour visit with President Truman.

Lie and five assistant Secretary Generals of UNO were later guests of the Senate Foreign Relations Committee at a luncheon at which House Foreign Affairs Committee members and Secretary Byrnes and the head of the United States delegation to UNO. Edward R. Stettinius. Jr., were also present.

The State Department released the following statement concerning Lie's call on Byrnes:

Mr. Trygve Lie, Secretary General of UNO, today called on the Secretary of State and discussed with him plans for the functioning of the United Nations Secretariat in its temporary, and later its permanent, headquarters in this country

Secretary Byrnes said he was heartened by the efficient manner in which the secretarist has already placed itself on a working basis, and by its plans for future operations.

The Secretary said that the United States Government is fully aware of the privilege and responsibility of being permanent hosts to the United Nations. He expressed his satisfaction that continuous functioning of the secretariat would be under the capable direction of Mr. Lie.

The Secretary renewed to Mr. Lie the expression of his determination to do everything possible to assure the success of the United Nations in its indispensable work which lies ahead.---USIS.

## SENATE COMMITTEE HEARINGS ON BRITISH LOAN CONCLUDED

Washington, March 21 -- The Senate Bank and Currency Committee yesterday closed its hearings on the proposed 3,750-million-dollar loan to Great Britain. Senator Alben Barkley, the committee's chairman, said his committee would meet in executive session next week to determine the action it will take on the bill. ---USIS.

## UNRRA CONTRIBUTIONS TOTAL 3.660 MILLION DOLLARS

Washington, March 21 -- UNRRA headquarters have announced that contributions pledged to UNRRA by its 47 members nations as of February 28 of this year totalled nearly 3,660 million dollars, of which approximately 300 million or 80 per cent, had been paid or made available.

Thirty of the 31 non-invaded member governments of UNRRA have paid or pledged payments on their first contribution. Seven of these countries -- Australia, Canada, the Dominican Republic, Iceland, New Zealand, United Kingdom and United States -- have also made or pledged their second contributions. Every one of UNRRA's member governments whose territory was invaded by the enemy has paid its administrative contribution in full.

In addition, it was announced during the month that Denmark was planning to make a contribution of 10,000 horses and approximately one million dollars' worth of fish, and Yugoslavia had offered as a gift 2,000 tons of cement, which will be delivered immediately to Albania. --- USIS.

## CHINA GRANTED 33 MILLION DOLLARS CREDIT FOR COTTON FURCHASES

Washington, March 20 -- The Export-Import Bank has announced that a 33-million dollar credit has been established with the Bank of China in order that the Chinese textile industry may purchase U.S. cotton. William M. Martin, Jr., chairman of the Export-Import Bank, said yesterday when announcing the loan that the terms of the Chinese Cotton credit are similar to those established by the Bank for cotton credits to European countries, with a rate of interest at two and one-half per cent.

At the same time the Export-Import Bank announced that five other credits for China, totalling 33,793,750 dollars, are now under consideration by the board of directors. These would enable China to purchase in the United States limited numbers of ships, railway and coal-mining repair materials and equipment, and auxiliary power plants. Details of the proposed credits are subject to negotiation.



## FOR IMMEDIATE RELEASE

## American Neusfile

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## MORE SHIPS LOADING AT U.S. ATLANTIC PORTS THAN AT PEAK OF WAR

Atlantic City, March 20 -- Almost twice as many ships now are loading through Atlantic ports as at the peak of the war, in the effort of the United States to help feed the starving nations, Assistant Secretary of State William L. Clayton, chief American delegate, told the eighth plenary session of the UNRRA Council here today.

"The world food shortage is so alarming that all nations must scale down consumption and share the deficit if mass starvation is to be averted," Clayton said. He added: "The hands of the starving peoples of the world are outstretched to us; the eyes of all the peoples of the world are upon us, watching to see whether the principle of international cooperation will survive this test. The moral and spiritual implications are no less significant than the material ones.

"The problems of peace can be met just as surely as those of war by understanding, sacrifice and by teamwork. If UNRRA binds the nations together in this spirit for the alleviation of suffering humanity and for the rehabilitation of the shell-shocked peoples of the war areas, its work will not only be well done but its influence and example will meach far beyond the immediate purpose for which it was called into being."

## Coal Supplied To Europe

In citing the United States' efforts to feed the starving overseas, Clayton said that in February the United States shipped 1,650,000 tons of coal to Europear countries. Since June 1944, over 19,600,000 tons of coals were shipped to wartorn areas. By contrast, United States pre-wer exports were less than 50,000 tons a year, he said.

He said also that today it is necessary to transport wheat from the Dakotas to the seaboard, a span of 2,500 males, or roughly the distance from Stalingrad to Antwerp. The Government, he said, has ordered 34,000 more freight cars assigned to the inland wheat growing states to speed the movement of grain to the seaboard.

The problem of helping the stricken areas, he said, "is one of joint responsibility, and nothing less than the maximum effort by each and every one of us will do the job. World shortages are now so grave and threatening that every country must survey its own needs in relation to those of less fortunate countri-

"All nations must scale down their consumption and share the deficit if mas. starvation is to be averted. Expansion of indigenous resources and their full

and complete

and complete use is imperative. Maximum exports from the surplus producing countries must be achieved....

## Task of Equitable Division

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"The task of dividing up the short-supply items in face of the tremendous demand of many countries is not an easy one. The commodity committees of the Combined Food Board have had many lengthy meetings dealing with the knotty problems of an equitable division of inadequate supplies. At least 12 of the members of UNRRA are represented on these commodity committees and have participated in their deliberations.

"It would, of course, be desirable if all supplying countries could participate in such discussions.

"At this point it may be well to mention that some time ago UNRRA asked the Soviet representative whether the Soviet Union, as a member of UNRRA, could supply any wheat to meet the demands of UNRRA claimants. Although I understand that no definite reply has been received to this inquiry, it was recently announced that the Soviet has agreed to sell to France, reportedly for United States dollars, 400,000 tons of wheat and 100,000 tons of barley, provided the necessary shipping could be obtained. This report gives ground for hope that the Soviet Union may be in a position to give a favorable reply to the UNRRA request and thus align itself with the United States and other supplying countries.

"The United States Government was happy, in response to a request from the French authorities, to initiate arrangements through the War Shipping Administration, to provide the necessary shipping to carry the grain from the Soviet Union to France, even at the sacrifice of other cargoes for the return trip for which the vessels had been originally scheduled."

Clayton said the United States and Canada had sent to France and to French North Africa in 1945 over 1,700,000 tons of wheat. In the first half of 1946, 1,800,000 tons of wheat are scheduled for these areas. Of this, 500,000 tons have already been shipped.

"The magnitude of the world food crisis," Clayton said, "has caused the efforts of the United States and other producing countries to be directed toward making the most equitable allocation of existing supplies among the various countries of the world, in accordance with their needs and resources, and as new factors develop from month to month, to make adjustments to take these factors into account.

"Allocation of wheat from the world pool to meet the needs of any country necessarily means that much less for other deficit areas.

"Conversely, the acquisition by a given country of a new source of supply necessitates a readjustment of that country's schedule from existing sources in justice to countries with equally urgent needs but without access to the new sources.

"In this crisis both supplying and claimant countries should adopt all emergency measures necessary to make certain that supplies for export are increased to insure their delivery to areas of greatest need."

## U.S. Economy Measures

The United States recognizes the urgency of the problem, Clayton said. Its people have been asked to reduce their consumption of grain and all grain products by 40 per cent and to reduce their consumption of fats and oils by 20 per cent.

Many people, he said, can't understand why the United States, with the larges' merchant fleet in the world and with such a successful record at supplying the largest expeditionary force overseas and providing supplies for her allies, cannot meet all civilian demands in peacetime. Clayton pointed out that it is not a question of ships alone. Even in the United States, he said, there is a limit to transport and production facilities.

In telling of America's contribution, he said that since D-Day, total food and coal shipments to the deficit areas were over 28 million tons. During part of this period, he said, the United States also was delivering supplies to her allies in the liberated areas.---USIS.



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## U.S. CROP ACREAGE

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1946 WHEAT ACREAGE MAY BE LARGEST SINCE 1938

Washington, March 21 -- The Department of Agriculture yesterday announced that the aggregate acreage of crops now planned for United States farms in 1946 may slightly exceed that planted last year. The aggregate acreage now intended for 16 major crops, is three per cent below the goals but slightly above last year's figures, a report by the Department's crop reporting board said. However, it noted, "exceeding the goals are all wheat, oats, peanuts, tobacco and rice."

The total of the principal crops planted or grown in 1946 is likely to reach 357,250,000 acres, compared with 357 million acres last year, an average of 355 million in the previous 10 years and a peak of 375 million acres in 1932, the report said. It added:

"Farmers are responding to the currently heavy peacetime demands upon them and their farms in much the same manner that resulted in four successive seasons of heavy wartime production. . . . Producers anticipate they will have to contend with more than the usual difficulty in the matter of adequacy of supply of hired farm labor and new machinery for replacements. In spite of these handicape they are planning to maintain acreage of crops at the relatively high level of recent years, insofar as possible, in order to meet domestic and world needs. . . .

"Farmers in all parts of the country indicate by their comments that they are fully aware of the problems they face in continuing to carry out the huge production program expected of them."

The report said the nation's corn acreage this year appears likely to equal last year's. Farmers intend to plant 92,993,000 acres this year, which is only about 100,000 acres more than last year but six per cent below the acreage of two years ago and about two per cent under the ten-year 1935-44 average. Assuming that the combination of all contributing factors in 1946 would result in yields equal to the average of the past five years, the probable production of corn for all purposes, the report estimated, would reach 3,097 million bushels. This would make the fifth consecutive corn crop of 3.000 million bushels.

"Plantings of 18,961,000 acres of all spring wheat are in prospect this year," the report said. "Prospective plantings are one and six-tenths per cent larger

than the ....

than the acreage planted last year. A total 1946 planted acreage of all wheat of 70,901,000 acres is indicated. . . Such an all-wheat acreage would be an increase of three per cent over last year and the largest acreage since 1938. It would be one per cent above the national wheat acreage goal."

The report said the spring wheat production, combined with an estimated winter wheat crop of about 751 million bushels, as indicated last December, would give an indicated all-wheat production of about 1,007 million bushels. This would be about ten per cent less than the record crop last year, but the nation's fourth crop of over 1,000 million bushels.

Oats production in 1946 may reach 1,392 million bushels, if farmers carry out their acreage intentions and if yields per planted acre, by states, equal the 1941-45 average, the report said. This would be ten per cent less than the 1945 record crop but 23 per cent above the 1935-44 average.

Production of barley, under the same conditions, will amount to about 247 million bushels. This would be a below-average crop.

## Record-Breaking Rice Crop

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A record-breaking rice acreage is indicated for 1946 if growers: March 1 intentions materialize, the report noted. Production of rice in 1946 may reach 73 million bushels -- another record crop, if yields per planted acre equal the 1939-45 average and acreage finally planted is about as now indicated.

Soybean acreage to be planted alone for all purposes this year is about 12 per cent less than 1945. However, the indicated acreage for this year is still well above the ten-year average of about 10 million acres, the report said.

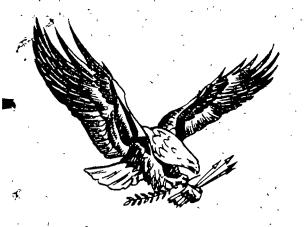
Prospective acreage of peanuts to be planted alone in 1946 totals 3,759,000 acres, about five per cent less than last year and 26 per cent below the record plantings of 1943. However, the indicated 1946 acreage is 28 per cent above the ten-year average.

Production of peanuts from picked and threshed acreages will approximate 2,100 million pounds in 1946, the report said. In 1945 2,080 million pounds were harvested.

The largest sugar beet acreage since 1942 is indicated by March 1 intentions of growers, the report said. If present expectations are realized, 933,000 acres will be planted in 1946. This would represent a 20 per cent increase over the acreage planted last year. If yields per planted acre approximate the 1940-44 average, production would be about 11 million tons -- 28 per cent more than 1945 and 15 per cent above the 1935-44 average.

If farmers' intentions are realized, this year's tobacco acreage will be 1,954,000 acres, the largest since 1939 and exceeding last year's acreage by about six per cent. However, the total expected yield of all types of tobacco will be about 2,000 million pounds, somewhat below that of 1945.

Prospective potato acreage plantings for 1946 of 2,738,300 acres is five por cent smaller than that of 1945. A crop of 388,705,000 bushels is expected for 1946, nine per cent under the 1945 production.——USIS.



## for immediate release American Newsfile

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The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 25, 1946

## STALIN'S DECLARATION WILL BE TESTED BY ACTION, EDITORIALS COMMENT

Washington, March 24 -- American newspaper editorials said Premier Stalin's statement expressing confidence in UNO will be welcomed by an anxious world, but they stressed that his declaration will be tested by actual decisions taken by Russia in the field of action.

The New York Times said in part: "Prime Minister Stalin's replies to three questions asked by the Associated Press will find a profound welcome in an anxious world. In these replies Mr. Stalin gives the strongest possible endorsement to the United Nations Organization as a Farious instrument for the preservation of peace and into

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latest declaration. But the sequence, so far as it goes, provides some gvidence that a clear statement of our own position and purposes and an equally frank expression of our concern regarding the actions of other nations that seem to us to threaten peace. . is the only road to removal, before it is too late, of international misunderstanding.

"Mr. Stalin's latest declaration is good . . . and the basis of new hope for understanding and cooperation between Russia and America."

The New York <u>Herald Tribune</u> said in part: "All too infrequently does Premier ! Stalin address the world at large. His expression of faith in the United Nations." Organization and in the world's desire for peace.... is the more valuable therefore and provides a far more hopeful atmosphere for the opening of the forthcoming session of UNO than previously.

"To be sure, Stalin's words do not recessarily effect the Iranian issue created by Russian actions, which looks as the most severe obstacle to progress. But they do contribute, along with other Russian activities, partly obscured by the dispute over Iran, to the creation of a better climate in international relations. The progress of Russian disarmament, although only vaguely indicated by Moscow reports, appears to be considerable. The Red Army is evacuating Bornholm, in the Baltic, and is continuing to withdraw from Manchuria. Russo-American conferences on the future of Korea are proceeding.

"On the balance, the picture is lightening and gives practical substance to Stalin's statement."

## "Hopeful Development

The Washington Evening Star said that in the present disturbed state of the world, there is apt to be a tendency to elutch at straws of hope; nevertheless, Stalin's statement to the Associated Press constitutes the most hopeful development of recent times.

The editorial added: "Marshal Stalin has set the stage for what now promises to be a constructive meeting of the Security Council. If the Russians demonstrate by action...

by action that they are prepared to submit the Iranian dispute to the Security Council, and if they will abide by whatever decision is reached, the world will have taken a long step forward toward that era of peace and security which is so earnestly desired by war-weary peoples.

The Philadelphia Record said in part: "Premier Stalin's 'vote of confidence' in UNO comes at the right time. His expressed conviction that 'neither nations nor their armies are seeking another war' serves to ease the high international tension built up on the eve of the UNO Security Council session on Monday. . . .

"We hope that when the UNO Security Council meets, the Russian delegates will walk in and announce to the world that Eussia is pulling her troops out of Iran as promised, and that she is putting the whole issue up to UNO. Then we will know that Russia means what Stalin says. Then we will be back on the track of joint cooperation for enduring peace through an organization which is ours in common, the UNO."——USIS.

## AMERICAN BUSINESS IS SPENDING MORE ON NEW EQUIPMENT

Washington, March 24 -- American business, excluding agriculture, plans to spend about 2,100 million dollars for rew plant and equipment during the first quarter of 1946, according to a survey announced jointly last week by the Departmen of Commerce and the Securities and Exchange Commission. Of this sum, about 1,900 million dollars will be spent by corporations and the remainder by uncorporated business.

It is anticipated that another 300 million dollars will be spent by American business during the same period on old or used plant and equipment.

The figure of 2,100 million dollars reflects the steady increase in such expenditures since the beginning of 1945, with outlays in the first quarter of this year estimated at twice those in the first quarter of last year. The increase is reported to reflect the accumulation of civilian demands for new plant and equipment and the lifting of controls and gradual easing of materials resulting from the end of the war.---USIS.

## U.S. LEGISLATORS WELCOME STALIN'S ENDORSEMENT OF UNO

Washington, March 23 -- Senator Elbert D. Thomas, chairman of the Senate Military Affairs Committee and member of the Senate Foreign Affairs Committee, said today that Premier Stalin's reassuring endorsement of the United Nations Organization indicated to the world that Soviet Russia intended to support the principles of international peace.

"The entire world will welcome Premier Stalin's statement in an interview on Friday that he attributes great significance to UNO," Senator Thomas said. "I am particularly impressed by his declaration that the strength of an international organization is based on the principle of equality of rights of states and not on the principle of domination of some states over others.

"Mr. Stalin's endorsement of UNO undoubtedly will ease the tension that has developed over Iran as delegates from the United Nations gather for the Security Council meeting in New York. Premier Stalin has indicated to the world that Soviet Russia intends to support the principles of international peace.

Representative Sol Bloom, chairman of the House Foreign Relations Committee and alternate United States delegate to the UNO Assembly in London last January, said that the Soviet leader's words were reassuring, and House Speaker Sam Rayburn said that they constituted "a powerful statement."

Other senators and representatives shared the view of Senator Thomas that Premier Stalin's statement would ease the world tension and prepare the way for a successful meeting of the UNO Security Council in New York. --- USIS.

## GROMYKO VISITS PRESIDENT THUMAN

Washington, March 22 -- Soviet Ambassador Andrei Gromyko called on President Truman today, but the Iranian question was not discussed, he said, upon leaving, the White House. The appointment was at Gromyko's request.

The White House announced the visit as a courtesy call with no political significance.

Gromyko told newsmen he had a pleasant conversation with the President, and,in answer to a question, said he did not deliver any note. --- USIS.

## PAN-AMERICAN WOMEN'S CONFERENCE DEMANDS JUST PEACE

Washington, March 22 -- A conference of women from the 21 American republics today unanimously adopted a declaration of principles calling upon "men and women throughout the world, whose lives are at stake, to demand of the great powers who are dictating the peace treaties that they be based on justice."

The conference, which was sponsored by the People's Mandate Committee for the purpose of formulating this declaration, recommended that "this declaration be carried directly to the heads of governments and brought before the peoples of all the American republics," as well as to the peace conference scheduled to meet in Paris May 1.

Declaring that "neither armaments nor machinery can be created strong enough to maintain an unjust peace," the delegates from all the American republics pledged themselves to seek the support of the peoples and governments of the Americas for the following principles:

- One -- In all the peace settlements human values must be placed first.
- Two -- The interests of the people affected, not the rivalry of governments for power, shall be the first consideration in all treaties or agreements made.
- Three -- The treaties must promote and encourage respect for human rights and fundamental freedom for all, without distinctions as to race, sex, language or religion, in accordance with the surposes of the United Nations Charter.
- Four -- The agreements must provide, in accordance with the dignity and worth of individual man, that all people shall be free to choose their own form of government and enjoy the guarantee of a universal bill of individual rights.
- Five -- There must be a free flow of information between nations through the radio, the press and books. The treaties must remove restrictions upon the dissemination of news or scientific knowledge, including atomic research, to be used for the benefit of humanity.
- Six -- The treaties must open the way for trade arrangements whereby each country can fully develop its resources, thus gaining the means to sustain itself

and raise the standard of living of its people.

Seven -- The peoples of the world must be fully informed of all treaties and agreements that are made before any final decision is taken.---USIS.

## STUCKI EXPLAINS SWISS VIEWS ON GERMAN ASSETS QUESTION

Washington, March 22 -- Dr. Walter Stucki, head of the Swiss mission which is discussing disposition of German assets in Switzerland, made a courtesy call on under secretary of state Dean Acheson today, accompanied by the Swiss minister to the United States. Charles Bruggmann.

Dr. Stucki told newsmen that the Swiss delegation presented a constructive plan to the Allied delegations yesterday. The basic idea of the plan is toward collaboration to prevent the use of German assets in Switzerland for the financing of a new war. He pointed out that a small country like Switzerland has every interest in doing all in its power to prevent a new war of aggression.

Asked about relations of German assets in Switzerland to reparations, Dr. Stucki said that his Government believes that a neutral state has nothing to do with reparations and he saw no legal possibility for collaborating on this question.---USIS.

## AMPLE AMERICAN SHIPPING FOR PROMISED RUSSIAN WHEAT SUPPLIES TO FRANCE

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Washington, March 22 - The War Shipping Administration announced today that, on the basis of information from its representative in Odessa, Russian wheat supplies for France will begin arriving at Odessa after March 25 and will be at the rate of 1,500 tons a day.

WSA officials here say that ample American shipping will be available to transport to France all grain reaching Odessa at that rate and additional ships will be dispatched to the Russian port "as the situation warrants."

Meanwhile, cable dispatches to WSA officials here also report that several French and Russian ships stand ready to transport wheat to France from Novorossisk and Nikolayev in the next few days.---USIS.

## SENATE COMMITTEE CHARGES SURPLUS DISPOSAL IS "CONFUSED MUDDLE"

Washington, March 22 -- The Senate special committee investigating the national defence program today issued an additional report on its investigations overseas of United States surplus property abroad, in which it criticized disposal of that property.

The chairman of the committee is Senator James Mead, Democrat of New York, and the committee is the same one which President Truman hoaded when he was in the Senate.

The report is based on extensive hearings in Washington and observations of committee members on four trips to overseas theaters.

The report stated that "of 315,823 million dollars' worth of war production, it is estimated that approximately 100,000 million dollars' worth was shipped abroad for the use of our troops and 45,517 million dollars' worth of goods and services were furnished to the Allies under lend-lease."

The report said that "six months after the collapse of Japan, the task of disposition of United States surplus property abroad is still a confused muddle," and it gave ten specific reasons for its criticisms of property disposal. These, as stated in the report, are, in part:

One -- Scarcity of dollars, the cost and difficulty of warchousing on foreign soil and restrictions on American sales imposed by foreign governments have proved to be greater obstacles to favorable disposal than our agents have, up to now, been able to overcome.

Two -- Although recontly Army and Navy declarations of surpluses have been speeded up, the most favorable period for selling surplus property is now behind us.

Three -- A large number of cargo ships, many of which were loaded with surplus materials, were kept idle in the far Pacific for several months after cessation of hostilities, because of indecision on the part of the War and Navy depart-

ments.

Four -- The return of civilian-type surpluses abroad, which are solely needed in our civilian economy for reconversion, a primary responsibility of the Office of War Mobilization and Reconversion, has been given only slight attention.

Five -- Since our troops must guard and warehouse our supplies abroad slowness in declaring and selling surpluses abroad tends to delay demobilization.

Six -- Ample authority has existed in executive departments and agencies for disposal of surplus property abroad ever since the enactment of the Surplus Property Act of 1944.

Seven -- The State Department failed to create favorable conditions for the sale of our surpluses located in foreign countries, or to resist effectively the imposition of onerous restrictions imposed by foreign governments, which had inevitable the effect of making favorable disposal difficult.

Eight -- The bulk sale to the United Kingdom in December 1945 was a far poore bargain for the United States than the bulk sale to France after the last war in July 1919.

Nine -- A matter of such importance as the permanent transfer of lend-leased weapons and armaments to foreign nations should be studied and acted upon by Congress.

Ten -- The benefits received from the United Kingdom for cancellation of unconsumed lend-lease balance in our favor are nebulous and require the United Kingdom to do no more than it ought to be willing to do anyway.

The committee reached the conclusion that the "Senate ought to familiarize itself thoroughly with the problems facing the United States in its economic and commercial relations with other nations in the postwar period, and examine the manner in which such relations are being handled by our governmental agencies concerned therewith."---USIS.

## SPECIAL BROADCASTS OF SECURITY COUNCIL FROCEEDINGS ARRANGED

Washington, March 24 -- The State Department last night announced that its International Broadcasting Division has established an exclusive shortwave network for coverage of the UNO Security Council session opening Monday at Hunter College, in New York City.

The project will feature two types of programming: one, on a straight reporting basis, will be factual coverage of the Council meetings. For this purpose an exclusive network has been set up for a running translation and description in French and English, to be broadcast by "Voice of America" announcers David Penn (English) and Fernand Auberjonois (French).

The second type designates some 13 different language programs with established shortwave audiences throughout the world to cover UNO. Shows to be carried will be recapitulations of the day's Security Council happenings, background and descriptive material, statements by delegates and other speakers, plus special events.

The State Department said the length of portions of these programs devoted to UNO within the framework of the normal broadcast schedule will be determined by the significance of the day's events.

The project for UNO is even more comprehensive than the International Broad-casting Division's previous service, which has included some 64 broadcast hours daily in 25 languages. The set-up will not compete with existing radio stations or news services, but IBD personnel is prepared to cooperate and supply all domestic stations with background material and special events.

The project is under the direction of John Ogilvie, IBD chief, and Wilfred Roberts, associate chief. Actual operations will be under Werner Michel, chief of programming; Dorothy Van Doren, news; Hal Janis, special events; and J. Arthur Laziell as UNO coordinator for IBD. Approximately 40 members of IBD will be involved in the project.

The State Department announced the following stations, frequencies and coverage for UNO shortwave network effective March 25 (All times are Indian Standard Time):

WNRI: 13050 kilocycles (22.97 meters) available 4.15 p.m. to 4.30 a.m;
9750 kilocycles (30.77 meters) available 4.45 a.m. to conclusion.

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WOOC: 15200 kilocyclos (19.74 meters) available 4.15 p.m. to 3.15 a.m; 9650 kilocyclos (31.09 meters) available 3.30 p.m. to 5.30 a.m; 6120 kilocyclos (49.03 meters) available 5.45 a.m. to conclusion.

WNRX: 14560 kilocycles (20.60 meters) available 4.15 p.m. to 2.15 a.m; 7250 kilocycles (41.38 meters) available 4.30 a.m. to conclusion.

WCBN: 17830 kilocycles (16.83 meters) available from the beginning of the day's session until 11 p.m.

While these broadcasts are beamed to central and southern Europe and the Mediterranean, it is possible to hear some of these stations, particularly WNRI on 22.97 meters and WNRX on 20.60 meters, in India under favorable atmospheric conditions.

The State Department also announced schedules for 12 daily European languages programs covering UNO and listed broadcasts in Cantonese and Mandarin, Japanese and Tagolog, for which, however, no timing was listed. --- USIS.

## GEN. SMITH SWORN IN AS NEW AMBASSADOR TO RUSSIA

Washington, March 22 -- Lieut. Gen. Walter Bedell Smith was sworn in as ambassador to Moscow in a short ceremony at the State Department today. Gen. Smith will leave for Moscow Sunday morning with Mrs. Smith and will arrive in the Soviet capital on Thursday.

In a statement to the press in reply to queries Gen. Smith said: "So long as Russia and the United States understand and cooperate with each other, the peace of the world is assured. My job is to give the Russians the understanding that we are going to do everything possible to insure that the United Nations will be made a success, as they have pledged themselves to do."---USIS.



## FOR IMMEDIATE RELEASE

## American Newsfile **5PECIAL**

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

## LETTER FROM AMERICA

CIVILIAN CONTROL OVER MILITARY EMPHASIZED IN ATOMIC CONTROL PROVISIONS

Washington, March 23 -- The Senate Atomic Energy Committee, after weeks of testimony and debate has decided in fevor of giving the President the vast responsibility of guarding atomic bombs, fission plants, fissionable materials and the reservoir of scientific knowledge which the United States still controls under the state-of-war provisions.

Although the issue cannot be considered decided, hearings by the committee were complete. Forums held to date on the subject and the committee's recommendation that the Army turn over atom control to the Atomic Energy Control Commission under President Truman's direction will carry considerable weight when the matter comes up for consideration by Congress as a whole.

The problem tossed into the committee's lap was perhaps the most important of the generation and certainly the most difficult in view of the fact that absolutely no precedent has been set ideologically, morally or legally, and there is no tried and proven philosophy upon which legislators can draw. Background problems involved are many, inter-related and breath-taking in potential importance.

Debaters have divided into two schools of thought -- those supporting the May-Johnson Bill, sponsored by the Army and Navy and granting sweeping powers to military establishments, and those supporting the McMahon bill, which would place the matter in the hands of scientists and almost exclude military men from future control.

Contrary to appearances, abroad the debate does not represent a struggle between military power and civilian power in Government. There has been strife between nationalism and internationalism, which is not yet settled. There is the technical question about whether atomic energy is primarily a military weapon or a factor in commercial and social advancement.

## A Fundamental Concept

The New York <u>Times</u> military writer Hanson Baldwin, sums it up as follows: "There never has been any real question of supremacy of civilian over military authority -- which is a fundamental concept of the American form of government. Nor are scientists themselves united; many leading atomic fission experts share in some measure the views of the Army and Navy."

Baldwin says the Army and Navy should not be excluded from some share of control. He adds: "To do so would be to cripple our national defense. On the other hand, military control over atomic energy will almost certainly be subordinated to civilian control, as it should be."

Baldwin's statement, which fairly well summarizes United States opinion, is hardly original. The supremacy of civilian over military power in the United States is so taken for granted that nobody argues the point any more. It is one of those things so well discussed and risely settled when the nation was born that it has never since become an issue.

The United States' first president, George Washington, was military leader of a long, risky war for independence and beloved by the army, which could have swing any issue at the polls or at the point of the bayonet. His farewell address to the nation warned of the pitfalls into which the new government might fall and urged the people to "avoid the necessity of those overgrown military establishments which, under the form of government, are inauspicious to liberty and which are to be regarded as particularly hostile to republican liberty."

A precedent had been established even before this, however, After independence and before the new government was completely established, the whole plan of a new practical government was distilled from widely differing sectors of a new democratic idealism. The results set a pattern for the French revolution, and later the entire Spanish-American world modelled constitutions and government institutions after the United States.

One of the most valuable sources on trends of thought of that time are the files of The Federalist, which reported the debates of the constitutional convention and of political thinkers of that time.

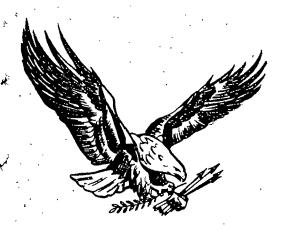
## Standing Army Dangerous To Liberty

Even Alexander Hamilton, most conservative thinker among constitution makers, in <u>The Federalist</u> of January 11, 1788, wrote: "If standing armies are dangerous to liberty, an efficacious power over the militia ought, as far as possible, to take away the inducement and pretext to such unfriendly institutions."

Thomas Jefferson wrote a letter to a friend giving the basis of his views as follows: "The Greeks by their laws, and the Romans, by the spirit of their people took care to put into the hands of their rulers no such engine of oppression as a standing army. Their system was to make every man a soldier and oblige him to repair to the standard of his country whenever that was reared. This made them invincible; and the same remedy will make us so."

The English Bill of Rights established a hundred years before the United States constitution that "the raising or keeping of a standing army within the Kingdom in time of peace, unless it be with the consent of Parliament, is against the law."

Americans have place the Army and Navy irrevocably under civilian authority and subject to the elected representatives of the people rather than to trust in the hands of the executive, who might seize power, even be elected and then utilize this source of strength to perpetuate himself. Although the President becomes Commander-in-Chief of the Army and Navy in time of war, Congress declares war and provides for the Army. Even the wartime Secretary of War and Secretary of the Navy are civilians. The result is that the overall military policy remains in civilian hands.--USIS.



## FOR IMMEDIATE RELEASE

# American Newsfile 5 P E C I A L

ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

U.S. ECONOMIC REVIEW

### EXPORT POSITION ANALYZED

Washington, March 24 -- The United States in 1946 is faced with the task of correlating a virtually unlimited foreign demand for goods and credits with a shortage of supplies and a formidable inflationary pressure on its own domestic economy.

While overall exports in 1946 are expected to remain below ten per cent of the national production, the close relationship between exports and domestic shortages on the one hand, and Washington's desire to contribute its share to the revival of international trade on the other, have led the U.S. Government to a series of actions designed to secure the goods needed overseas without accentuating the domestic problem.

The U.S. Department of Commerce recently predicted that exports in 1946, including UNRRA shipments and goods financed by loans, will rise substantially above the annual rate of 7,300 million dollars achieved in the last quarter of 1945. Pointing to the possible effects on the situation at home, the report expressed the opinion that this export volume could be carried without "seriously" impinging upon supplies for domostic consumption, but that some allocation problems may arise for manufacturers or the Government. In other words, the flow of exports will need control.

Acute shortages, such as in lumber, tires and grains, have already brought about pressure upon the Government to prohibit the export of scarce items. Lumber is expected to remain in short supply through 1946. Production dropped 16 per cent from 1944, to 27,356 million board feet in 1945. For 1946 industry forsees an output of not more than 24,000 million board feet, while the Government's housing program will boost the demand to 36,000 million board feet. After the poor start in the first two months of 1946, a deficit in lumber is sure to remain.

## 66 Million Tires In 1946

Tire production for passenger cars reached 28,147,538 units in 1945; by mid-February 1946 the industry operated at an all-time high with good prospects to total 66 million units for the year. Nevertheless, tires are being sold as fast as they reach the dealers and a backleg is not expected before 1947. A particular problem is wheat. By March 1 mills had to be converted to the 80 per cent extraction rate, demanded by President Truman in his food conservation program to aid foreign countries. Some predictions, however, hold that lack of available wheat might shut down some mills by May or June, unless the prospects for the next crop remain as good as they are at the present time and induce farmers to sell more freely the whoat they have on hand.

Independent of the crops prospects, the National Government is determined to fulfill its food commitments for overseas. In the words of Secretary of Agriculture Clinton P. Anderson, the dark flour program would be extended beyond the late summer if need be, and some experts believe the Government might yet resort to the purchase of all wheat stocks.

In other products the situation is not quite so critical, partly because exports did not reach large proportions. Of the 1945 production of wheat 26.7 per cent are export, while of automobiles, for instance, only 6.7 per cent went abroad; of shirts only 7.1 per cent.

## Most Export Goods In "Tight" Supply

But an elaborate study by U.S. Government agencies shows that nearly 35 per cent of the goods to be exported will be in the category of "tight" supply. In order to ward off the effects of over-sized exports of scarce items, and at the same time to forestall proposals to prohibit such exports altogether by law, the Administration is asking Congress for an early extension of the export control powers which otherwise would expire by June 30. Congressional observers believe that the extension will be passed. It would strengthen the hand of the Administration, because the system of export licensing would reassure the opponents of a more liberal export and credit policy and that no additional inflationary threat would result as long as the flow of goods abroad is properly controlled.

The needs of war devastated countries, it is realized in Washington, will necessitate a further expansion of lending, even though foreign assets in the United States have reached the large total of 23,000 million dollars. Of these not more than 3,000 million to 5,000 million are expected to be used for export financing, while the rest will be held for monetary purposes or future contingencies. The Export-Import Bank of Washington already has committed 3,250 million dollars; uncommitted funds are reported at 1,800 million dollars. A recent survey of the National Advisory Committee on foreign lending contemplates an additional 1,500 million dollars for the Bank so that 3,300 million dollars would be available for interim credits, probably to Russia, China, France, and Italy.

Export-Import Bank loans also are being used to control the flow of goods abroad. In the past the Bank's policy restricted the purchase of scarce goods from its funds to about one-fourth of the total credit extended; to support the Government's-export control the Bank will centinue to designate the goods for which credits given may be used.

## International Trade Conference Plans

In addition to preparing the scene for further increases of U.S. exports and loans to foreign countries, the U.S. Government also has taken steps to broaden the scope of world trade generally. As revealed recently, an agreement was reached in London on a U.S. proposal that the UNO's Economic and Social Council take over the international conference originally called by the United States to negotiate reciprocal trade agreements. The conference, scheduled for June or July, will

prepare the creation of an International Trade Organization (ITO). The nations to be represented are the U.S.A., Russia, Great Britain, Canada, Australia, India, South Africa, New Zealand, France, Belgium, Luxembourg, Holland, Czechoslovakia, China, Cuba, Brazil, Norway, Chile and Lebanon.

Furthermore, the U.S. Government has taken the leadership in opening membership in the International Trade Organization to non-members of the United Nations, such as Sweden and Switzerland. On the part of the United States, this would eliminate difficulties which adherence to the ITO stipulations might create for the maintenance of U.S. trade agreements with such countries. The U.S. proposal modifies the original charter plan for ITO to the effect that non-members be invited to the trade conference, but also be required to join the Bretton-Woods organizations.

Another development in the same direction, not yet matured into a proposal, is a plan to bar from "most-favored-nation" benefits any country which does not adopt tariff or preference reductions equivalent to those to be adopted at the ITO conference. Under the plan, the U.S. would terminate most-favored-nation treatment of any country not agreeing to concessions.

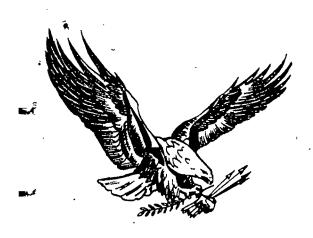
## Demand-Supply Situation Is Uneven

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Despite the new impetus to production, the demand-supply situation is still uneven. Paper output, for instance, so far this year has been running ahead of last year's production rate, but a levelling off is expected soon, mainly because of a reduction in pulp imports.

Shoe production is suffering under the scaracity of fabrics, but growing output of staple cotton products is expected from a price incentive, which in the opinion of manufactures would raise the total yearly production to 11,000 million yards. Current demand for broad woven cotton is estimated at 14,000 million yards.

Food supplies, aside from grain, are also showing shortages. Sugar use fell-by one million tons from 1944 to 6,041,382 short tons raw value in 1945. In edible fats and oils total domestic output is expected to remain 1,500 million pounds below prewar needs, and a material easing in supplies is not expected for this year. Total production will hardly exceed 6,700 million pounds. Meat supplies, however, are expected to improve due to smaller requirements of the armed forces.---USIS.



## FOR IMMEDIATE RELEASE American Newsfile

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The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 27, 1946

## TRUMAN'S CALL TO U.S. VICTORY GARDENERS

Washington, March 26 -- The opening session of the National Gardening Conference today was marked by an address by Secretary of Agriculture Clinton Anderson, who emphasized that the world is now facing its most serious food crisis in modern times and that the home garden program in the United States, to the extent that it will make it possible to ship more food abroad, will help alleviate food shortages abroad and "improve the chances for an enduring peace."

Anderson preceded his address by reading a special message to the conference by President Truman. The message said in part:

"It is heartening to know that you are meeting today to remobilize the nation's victory gardeners so that additional food will be produced, thereby making other food available for hunger relief. . . .

"During the war years, home gardens contributed liberally to our national food supply. They helped make it possible for us to , . . supply the world's best-fed fighting forces and provide essential food supplies to our allies. If we had been short of food, it might have delayed the war's end.

"The great. . . . .

"The great conflict is over, but this is no time to let up --- not while hunger stalks the world....

"We are now challenged to help min this global war against hunger. Hungry people make poor disciples of democracy. Food is still one of the most vital weapons in securing a lasting and stable peace. Growing more home gardens is one way to help. Every pound of food ... from the garden, or preserved for use in winter, will release the same amount of food to be shipped to the starving millions."

Anderson said in part: "At present we are earmarking about 16 per cent of the food supply in this country for export -- including relief needs. At least until the next harvest we shall need to ship every bit of food we can spare. And we can expect a continuation of the needs for relief feeding in 1947.

## Victory Gardens Played Big Part In War

"It is a big job -- getting millions of families to grow a part of the world's food supply in the backyards and vacant lots of America. During the war you succeeded well. Almost half of the families in America were tending victory gardens -- growing food for freedom. During the war, as much as 40 per cent of our fresh vegetable supply came from victory gardens.

"I think the President, the Famine Emergency Committee and the Department of Agriculture have awakened everyone to the fact that, as far as the food situation is concerned, the pressure is not off. The pressure is greater now than ever. There are more people looking to us for food than ever before. There is more need for victory gardens in this first year of peace than there was in any year of the war. The war against famine is just reaching the stage of a decisive battle. If we lose this war we will jeopardize all we gained on the battlefields.

"To the extent that the garden program will make it possible to ship more food abroad, it will improve the chamces for an enduring peace."

Chester C. Davis, chairman of the Famine Emergency Committee, also spoke emphasizing that ...

emphasizing that the famine stricken areas were exerting every effort to get back to full-scale food production in spite of great difficulties. Davis pointed out that the United States is exporting large quantities of vegetable seeds to help needy countries grow their own food. "All told, the United States will ship about 30 million pounds of vegetable seeds to 37 different nations this year," he said, adding that "on an average, a pound of seed sent abroad will produce about a thousand pounds of food."---USIS.

## FAMOUS TASK FORCE 58 DISBANDED

Washington, March 26 -- Task Force 58 of the United States Navy, powerful unit featuring aircraft carriers which Admiral Marc A. Mitscher led in effective strikes against the Japanese, has be∈n disbanded, the Navy announced today.

Task Force 58, which operated as part of the Third Fleet, compiled a record of 3,259 enemy planes destroyed or damaged during one 76-day period in the Okinawa campaign.

Dissolution of Task Force 58 was in accordance with plans for a peacetime fleet, including a single fast carrier force. Admiral Mitscher has been designated commander of the new Eighth Fleet.---USIS.

## ARMY-NAVY COMMITTEE STUDYING UNDERGROUND INDUSTRIAL SITES

Washington, March 26 -- The Army and Navy have set up a joint committee to study, develop and coordinate information on underground industrial sites, officials of the two services revealed today. The committee objective is to reduce the hazard of possible mass destruction of the nation's military potential in the event of any future hostilities.

The committee will be part of the Joint Munitions Board, which is composed of representatives of both the Army and Navy and is a co-ordinating unit in industrial mobilization in time of war.---USIS.

## REPORT DESCRIBES FOOD MEASURES IN EUROPE AND ASIA

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Washington, March 26 -- The office of foreign agricultural relations of the Department of Agriculture has issued a report describing the vigorous measures being taken by the people of war-torn countries to produce food for themselves.

The report is for the information of President Truman's Famine Emergency Committee, the Famine Emergency Council of about 125 members, state and county managers of the famine emergency program, and Government agencies and others cooperating in the nation-wide drive to conserve food.

The report says that in Europe Parmers are striving to grow more food this year than last. City people in areas where food deficiency is greatest are working in some cases cooperatively with farmers, while others have gardens outside cities. Urgent need for farm workers has resulted in many employees being permitted to leave places of business in the afternoon to work on farms and collective gardening projects the rest of the day. Inflation has been an important factor in food production by non-farm workers in Europe, the report said, and the only way such workers can get food to ward off starvation is to get out of their places of business into the country and help produce it.

European farmers continue to face serious obstacles to production -- shortage of draft power and equipment, lack of transportation facilities, scarcity of fertilizer and insufficiency of feed grains for livestock and poultry. In many areas farmers pool or share horses, exen, even a hoe or plow.

In Asia and Far Eastern areas hunger threatens most acutely and the people are cultivating every patch of ground. In India, little food production activity can begin until the seasonal rains ir June; in the Philippines, despite a 50 per cent decrease in the number of water buffalo, principal work animal, the people have shown since the war what can be accomplished in increasing production of secondary food crops. In areas of China not occupied by the Japanese, extensive efforts have been made to increase production during the past several years by means of distribution of improved seeds, more extensive winter—cropping, control of insects, and production of serum to prevent rinderpest in cattle.---USIS.

## NEW PAN-AMERICAN HIGHWAY WILL PROMOTE GOOD WILL

Washington, March 26 -- Thousands of motorists are passing over highways extending through Central America and thereby promoting the Good Neighbor policy, Charles Upham, director American Road Builders! Association, said yesterday.

He has just finished an inspection trip along the route of the international highway, extending from Laredo, Texas, about 3,400 miles to Panama City, as consulting engineer to the Congressional committee headed by representative William J. Robinson, Democrat from Utah. The highway is almost completed through México and there are only a few short stretches to be finished in Guatemala, Honduras, Nicaragua, Costa Rica and Panama.

Upham prodicted that automobile tourist travel in the America's would far exceed any pre-war peak, thereby promoting good will.

## APRIL 6 NAMED AS U.S. ARMY DAY

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Washington, March 26 -- Prosident Truman has proclaimed Saturday April 6 as Army Day, in accord with the recognition for some years past of that date as Army Day.

After noting that the Army "continuos in active service to the nation in occupying parts of enemy countries to ensure establishment of a lasting peace," the President called upon "my fellow-sitizens to be mindful of the Armys' needs, to the end that our soldiers overseas do not lack means of performing effectively their continuing duties."——USIS.

## GERMAN SCIENTISTS WORKING FOR U.S.

Washington, March 26 -- Secretary of War Patterson has announced some 160 German scientists now are in the United States working as volunteers on military projects involving captured German equipment. Importation of about 120 others is contemplated under a program originally established after V-E Day to aid the proposed offensive against Japan, Patterson said. The original plan called for large scale utilization of German experts, but was cut back radically following the Japanese surrender.---USIS.

## FORRESTAL URGES NEED FOR STRONG UNITED STATES

Now Orleans, March 25 -- The United States, while striving to "make the United Nations work," must maintain sufficient military strength to warn any possible future aggressor that we always "will fight when the apostles of force gather themselves for conquest," Secretary of the Navy James Forrestal declared last night in a Jackson Day Dinner address here.

Following are excerpts from his speech:

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American policy, as enunciated by President Truman and Mr. Byrnes, and British policy rest upon the success of the United Nations Organization. The Russians, too, have asserted their faith in this new world structure. But if the United Nations Organization is to succeed, the labor that goes into its building must be accompanied by patient acceptance of the fact that the structure cannot be completed and the house made ready to live in overnight.

It seemed to me then (after the Last war), as it seems to me now, that the United States has to join and promote with all the vigor at its command an international organization for world security and peace. Or, failing that, to maintain such a state of readiness for war as to serve clear notice to any nations planning conquest that American power would inevitably crush the aggressor.

Until the structure in which the United Nations is to dwell is far more solidly established, we must retain adequate military strength. So long as power is necessary to obtain peace, it must reside with those whose history shows that they have not abused power.

I would like to venture a little into the phase of international politics, which I know is in the minds of every thoughtful citizen of this country. Is Russia willing to join in the effort for success of the United Nations Organization? As I have said, Russia has asserted its faith in this instrument for world government. The Russians still believe, quiet sincerely and with deep intensity, that the Soviet society — as Mr. Stalin called it in his speech of a month ago —

is a society which provides the greatest hope for the common people and the only society which, internationally applied, can prevent war. Now I disagree with equal intensity with Mr. Stalin's statement, but I do not believe that the difference in our concepts of government, economic and social organization necessarily means that we have to fight each other to prove the success of either.

I am against a collective society for America and for Americans, but I do not couple that with the assertion that only our form of society is workable. In fact, it may reasonably be questioned whether our ideas of self-government, our adherence to the importance of personal freedom, of personal liberty, are applicable overnight or within the foreseeable future to all the millions of varied peoples who make up the rest of the globe.

I think the best way to convince the rest of the world of the success of our system is not by destroying any other system, but rather by the example of success itself.---USIS.

## ALASKA HIGHWAY TO BE TRANSFERRED TO CANADA

Washington, March 26 -- The Alaska Highway and other defense projects in northwest Canada will be officially transferred to Canada at ceremonies to be held at Whitehorse, Yukon territory, on April 3, it was announced today in Washington and Ottawa.

The terms whereby these projects are being turned over were settled in each case between the United States and the Canadian governments by agreements already published.

Development of the projects being transferred to Dominion responsibility took place under the auspices of the permanent Joint Board on Dafense.

Fiorello LaGuardia, chairman of the United States section of the joint board, and General A.G. L. McNaughton, chairman of the Canadian section, will be among the American and Canadian military and civilian representatives present at the ceremony.---USIS.

## AMERICAN CREDITS WILL AID GENERAL TRADE REVIVAL

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New York, March 26 — The need of American credits to revive foreign trade "remains basic to any consideration of the problem of foreign loans," the New York Herald Tribune said today in an editorial which explained America's loan policy in general and France's negotiations for American financial assistance in particular. The editorial said in part:

American discussions of loans abroad have been confused by a great many minor issues. . . This has been particularly true in connection with the pending loan to Great Britain. But there has also been confusion over the French attitude toward the American credit which premier Leon Blum is now seeking to arrange in Washington.

An interview granted by foreign minister Georges Bidault . . . was interpreted as an indication that France would turn to Russia for economic aid if refused by the United States. Mr. Bidault protested against this interpretation, and President Felix Gouin has since given a lucid explanation of the French stand, which goes far to clarify the meaning of a sound American loan policy.

As Mr. Bidault pointed out, France cannot obtain the assistance from the USSR which she needs to set her economy in working order. The Russians can give grain and perhaps managanese. But nost of the raw materails and nearly all of the machinery which France so urgently needs must come from America.

France, as President Gouin has said, is determined to break away from narrow protectionism and to do what she can to promote the interchange of goods and services among the nations. This is in line with American policy, it is what the terms of the British loan seek to advance. But, President Gouin pointed out, French participation in world trade depends upon her ability to start her industries going and to modernize her plants -- for which she needs foreign aid. Like British statements in the same vein, this is not a threat. It is a simple statement of fact.

America's war-stimulated productive capacity needs foreign markets, a lively current of international trade, with as few artificial restrictions as possible. The wider and the freer the area of this trade the healthier it will be for the American economy and the better the chances for raising the world's standard of living. That is the primary purpose toward which American economic power should be directed.

Needless to say, American resources are not unlimited, and they should be allotted with care. Foreign loans are an integral part of foreign policy, and no sphere of international relations can be dealt with haphazardly or without considering a great variety of elements. But the fact that foreign trade will not revive without a substantial transfusion of credit from America remains basic to any consideration of the problem.——USIS.

## SPAIN SENDS NOTE TO U.S. ON FRENCH BORDER SITUATION

Washington, March 26 -- Michael McDermott, special assistant to Secretary of State Byrnes, said at his press conference today that the United States has received a note from Spain, about 2,000 words in length, dealing with the situation on the Spanish-French border. He added that the note was being studied and he had no comment to make.

Replying to questions, McDermott said that the United States has received no further note from France on Spain and no replies to the American notes to Moscow on Iran and Manchuria. He also said that nothing had been received from Teheran.

When asked whether there was any confirmation of the reported Soviet-Iranian agreement, he said the United States has not been informed of any agreement at all.

No Foreign Ministers! Meeting Planned

At a press conference yesterday McDermott said he knew of no plans for a meeting of foreign ministers Molotov, Bevin and Byrnes in London in the latter part of April.

McDermott said that U.S. plans to participate in the international conference of American states, scheduled to be held in Bogota, Colombia, in Docember are well advanced. The last of these regular pan-American conferences was held in Lima in 1938 and the one which normally would have been held in 1943 was postponed on account of the war.---USIS.

## PARLEYS FOR U.S. LOAN TO FRANCE OPEN IN WASHINGTON

Washington, March 26 -- The French financial mission, headed by former French premier Leon Blum, formally opened negotiations yesterday with the United States National Advisory Council under the chairmanship of Secretary of Treasury Fred M. Vinson.

Vinson told a press conference that at the initial meeting Blum made a personal statement on France's position. Vinson declined to indicate the amount of credits for which the French were applying.

Vinson explained that the Council members were set up as a special committee to discuss with the French mission not only the question of a loan, but also commercial policy and war settlement. He declined to forecast how long the negotiations would take, pointing out that there was a great deal of data to be considered by the technical staff. A separate subcommittees will consider questions of commercial policy and war settlements, he said.

The procedure will be much the same as that followed in the recent financial and economic negotiations with the United Kingdom, Vinson said.---USIS.

## VETERANS! HOUSING GETS PRIORITY

Washington, March 26 -- Housing Expediter Wilson Wyatt and Civilian Production Administrator John D. Small today issued an order requiring Government authorization for new building construction or repairs to existing structures, in an effort to conserve building materials for the emergency veterans' housing program.

Permission will be required to start construction or repairs above certain dollar minimums, ranging from 400 dollars for private homes and farms to 15,000 dollars for certain specified industries.

The announcement said this action is the result of a thorough study of the housing emergency. Construction work already substantially under way will not be affected. Other specific exemptions will probably be announced later and special permission will be obtainable for work considered absolutely necessary, such as for reconversion needs. Public works projects, utilities and transportation were among the stated exemptions.——USIS.

#### PLANS FOR U.S. HEALTH PROGRAM

Washington, March 26 -- Over 180 professional organizations in the field of health and medical care have been asked to report their health goals to the Senate committee on education and labor, Senator James E. Murray, committee chairman, announced Sunday night.

"The time has come," Murray said, "to stake out long-range health goals for America's future. The various health bills now before our committee can only be properly considered if we know what our health objectives should be.

"I am, therefore, asking the American Medical Association, American Dental Association, American Hospital Association, American Public Health Association and 180 other important groups in the health field to join in a cooperative attempt to stake out specific health goals for the coming five years."

Murray added that "reputable physicians tell me that tuberculosis, pneumonia, venereal diseases, malaria and other scourges of mankind can be wiped out in five years' time. I have also been informed that within a five-year period we can look forward to meeting our needs for an increased number of doctors, dentists, nurses, hospitals and health centers, particularly in the rural areas, and for vastly expanded medical research, professional medical education and health education for the general public."

Murray emphasized that the survey is limited to that of health goals and does not involve any question as to the relative methods of achieving any specific goal. The views of the medical and health professions on such questions as how far average life expectancy can be increased and how far it is possible to go in wiping out or controlling cancer will be sought, Murray noted.---USIS.

# HARRIMAN NAMED U.S. ANBASSADOR TO BRITAIN

Washington, March 26 -- President Truman today sent to the Senate the nominations of W.Averell Harriman, former U.S. ambassador to Moscow, to be American ambassador to Great Britain, and John G. Winant, who has resigned as ambassador to Great Britain, to be representative of the United States in the Economic and Social Council of the United Nations.---USIS.

#### PROFILE OF NEW ASSISTANT SECRETARY GENERAL OF UNO

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Washington, March 26 -- Under Secretary of Agriculture John B. Hutson, newly appointed Assistant Secretary General of the United Nations Organization, is a veteran agricultural economist and administrator with 27 years of service in the United States Department of Agriculture. His experience in departmental administration and agricultural finance provides a valuable background for his new post as assistant UNO secretary in charge of administrative and financial services.

In the field of diplomacy, Hutson's most recent service was as chairman of the U.S. delegation to the third Inter-American Conference of Agriculture, in Caracas, Venezuela, in July 1945.

Under Secretary of Agriculture since that time, Hutson's lengthy service with the Department was interrupted for six months early last year when he was deputy director for agriculture in the Office of War Mobilization and Reconversion. Prior to that transfer, he had been president of the Government's 100-million-dollar Commodity Credit Corporation and also director of production of the War Food Administration. The CCC is responsible for all marketing and price activities of agricultural products. It handled vast quantities of the commodities and foods to meet supply programs of the War Food Administration, including lend-lease, throughout the war period.

In previous years, Hutson served with the Agricultural Adjustment Administration, rising to be assistant administrator for four years. He was with the Foreign Agricultural Service for three years, as principal marketing specialist in European countries, engaging in a study of the European tobacco industry as well as European outlets for American tobacco. He also served with the Bureau of Agricultural Economics.

Born in Kentucky in 1890, Hutson received his bachelor of science degree at the University of Kentucky in 1917, the M.A. from the University of Wisconsin, and Ph.D. at Columbia University, in New York.---USIS.

#### AMERICAN ARMY PERSONNEL IN INDIA WILL BE REDUCED TO 600 BEFORE JUNE

New Delhi, March 25 -- At a press conference Friday, March 22, at Headquarters, United States Forces, India-Burma Theater, New Delhi, United States Under Secretary of War Kenneth C. Royall said that the India-Burma Theater had done an outstanding job in caring for U.S.Government property.

He stated further that he expected all except some 600 American Army personnel to be out of India by the end of May, and possibly earlier. This remaining number, which will gradually decrease through the year, will be occupied with caring for the graves of American soldiers in the I-B Theater, with air installations, and other matters pertaining to the liquidation of American armed forces activities.

Thomas B. McCabe, U.S. Foreign Liquidation Commissioner, estimated the volume of surplus American goods being turned over to the Government of India as approximately 500,000 tons. The turn-over would be completed some time in April.

The party, headed by the Under Secretary, expects to be back in Washington about April 6. Accompanying Mr. Royall were: Mr. Thomas B. McCabe, Foreign Liquidation Commissioner; Lt. Gen. LeRoy Lutes, Commanding General Army Service Forces; Maj. Gen. Lloyd L. Parks, Director, Bureau of Public Relations; Brig. Gen. Donald P. Booth, of the office of the Under Secretary of War; Brig. Gen. Vincent J. Esposito, Operations Divisions WDGS; Brig. Gen. Arthur Thomas, Air Technical Service Command; Lt. Colonel John J. Troja, Foreign Liquidation Commission; and Major Johnston R. Staples, Aide.——USIS.

#### EXPORT-IMPORT BANK GRANTS LOAN TO NETHERLANDS

Washington, March 26 -- Approval of credit of 200 million dollars to the Netherlands Government by the board of directors of the United States Export-Import Bank has been announced by William M. Martin, Jr., chairman of the board.

Martin said the credit is for the purpose of meeting most urgent requirements of the Netherlands for dollar financing, pending the time when the facilities of the International Bank will become available.---USIS.

#### SIX COUNTRIES GRANTED DOLLAR CREDITS FOR U.S. SURPLUS PURCHASES

Washington, March 26 -- The office of the Foreign Liquidation Commissioner of the State Department has announced that dollar credit arrangements totalling 39 million dollars have been completed with six countries to expedite their purchase of U.S. surplus war property overseas.

The countries to receive credits under the recently-concluded agreements are the Philippines, Turkey, Finland, Lebanon, Iran and Ethiopia.

One of the major obstacles in overseas surplus disposal, FLC pointed out, has been shortage of dollars in foreign countries, and these credit terms are expected to help overcome this problem as well as foster sales to aid reconstruction abroad.

Under the provisions of these agreements for U.S. surplus purchased prior to January 1, 1948, the Philippines, Turkey and Finland have been alloted credits of 10 million each, Lebanon five million, Iran three million and Ethiopia one million. These figures merely represent credit ceilings and do not necessarily mean that these countries will purchase up to these totals. The credit arrangements provide for a rate of interest of two and three-eights per cent per annum, payable annually.

FIC explained that the U.S. surpluses that these countries are now able to purchase will considerably strengthen their economies during the postwar reconversion period, as they can buy vitally needed foodstuffs, transport facilities and clothing.---USIS.

#### UNRRA GETS MOST OF U.S. ARMY FOOD SUFFLUS

Washington, March 25 -- The War Department today said that out of 52 million dollars of subsistence items transferred in January by the U.S. Army, 34,400,000 dollars -- about 65 per cent -- went to UNRRA. The balance of perishable items and non-perishable foods were transferred to the Navy, Marine Corps and other Government agencies.

Almost 60 per cent of UNRRA transfers were combat rations. The remainder included K Rations, pork loaf, peanut, butter and corned beef.---USIS.



# FOR IMMEDIATE RELEASE American Newsfile

#### ISSUED BY THE UNITED STATES INFORMATION SERVICE

293 HORNBY ROAD, BOMBAY.

The American Newsfile is released three times weekly to newspapers and public agencies in India. The contents are derived from Government sources in the United States, containing official texts, Government reports, summaries of Government news releases, roundups of representative American newspaper editorial comment, and factual background information on events and officials in the news.

March 29, 1946

#### INDIA INCLUDED IN HOOVER'S FOOD SURVEY

Washington, March 28 -- Former United States president Herbert Hoover will include India in his current overseas survey of world food needs, Chester Davis, chairman of President Truman's Famine Emergency Committee, announced.

Meanwhile, Hoover, in a broadcast from Paris last night, told Americans that the supply of relief food for starving Europeans must be kept moving

steadily toward famine areas. Speaking over the American broadcasting Company's trans-Atlantic set-up, Hoover said if the present supplies were to cease for even a month, "there would be wholesale loss of life."

Hoover was planning to leave today for Czechoslovakia and Poland.

#### ALSO IN THIS ISSUE

Atomic Control Report

Army Bread Ration Cut

Anglo-U.S. Lend-Lease Pact

\$500,000,000 For Relief

Synthetic Rubber Program

In a news conference following the meeting of the Famine Emergency Committee on Tuesday Davis said figures on relief shipments during the first three months of this year look "pretty good." When placed beside the figures on supplies available, however, they make the six-million-long-ton goal of wheat -1- shipments....

### REPORT URGES MAINTENANCE OF LARGE U.S. SYNTHETIC RUBBER INDUSTRY

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Washington, March 28 — John W. Snyder, Director of War Mobilization and Reconversion, recently made public the first report of the inter-agency policy committee on rubber, which was set up in September, 1945, for the purpose of formulating a coordinated national policy on rubber.

The report said in part: "Rubber, the country's most critical wartime shortage, is still a national problem. Peacetime abundance must not banish the memory of how dangerous that shortage was. The situation during the war was saved by the fact that our distance from the combat areas and the gallant efforts of our Allies furnished American productive genius the opportunity to build a huge synthetic industry from the ground up. Furthermore, minimum supplies of natural rubber were available in areas not occupied by the enemy. Time and distance may not work on our side again.

"No practicable measures we could take would assure us of an adequately large and continuing supply of natural rubber to meet all our essential rubber needs under every possible condition. The United States must therefore possess at least the nucleus of a large, healthy and fully developed synthetic rubber industry, capable of rapid expansion in time of emergency."

For the period during which natural rubber continues in short supply, the committee submitted the following short-term recommendations:

- 1. The synthetic rubber industry should -- and will of necessity -- continue to operate at a high level in order to supply the large demand for new rubber.
- 2. In order to distribute natural ribber supplies equitably throughout the world, international pooling and allocation of natural rubber should be continued.
- 3. Until ample supplies of natural rubber are assured, all but a few synthetic rubber plants should be maintained in operation or stand-by condition.
  - 4. Stocks of natural rubber in the United States should be increased.
- 5. Government powers to allocate rubber to manufacturers and to control specifications of rubber products should be continued as long as the demand for natural

shipments for the first half of the year look like an enormous undertaking, he said.

The Famine Emergency Committee has asked Americans to voluntarily reduce their consumption of wheat by 40 per cent and fats and oils by 20 per cent in order to fulfil United States food commitments for starvation relief. Davis said he was confident that "the job can be done by the voluntarily conservation measures outlined early this month by the committee." He said rationing was not being considered "at this stage" because "it would take at least four months to get a rationing program into operation."---USIS.

#### AMERICANS CONTRIBUTE 500 MILLION DOLLARS FOR RELIEF

Washington, March 27 -- During the period between the outbreak of war in September 1939 and December 31, 1945, the American people voluntarily contributed at least 500 million dollars for relief in the war-ravaged countries, according to figures compiled today. The contributions, totalling 464,191,775 dollars, included 265,303,441 dollars in cash and 198,888,334 dollars in supplies.

The total figure does not include contributions of the American Red Cross, certain religious organizations, nor UNRRA. The American Red Cross extended 159,966,547 dollars for aid in foreign countries in the same period.

According to data supplied by major organizations collecting for specific national beneficiaries, Russia received the largest amount of voluntary American contributions -- 61 million dollars. Britain received 41,800,000 dollars; Palestine, 38,600,000; China 37,440,000; Greece 22,200,000; Italy 15,200,000; Poland 12,700,000; France, 7,900,000; Yugoslavia, 5,100,000; Norway, 4,600,000; the Netherlands, 4,350,000; Belgium 2,640,000; Czechoslovakia, 1,970,000; the Philippines, 1,050,000.

International relief organizations receiving money and supplies for the wartorn nations in general reported the following collections:

United National Clothing Collection, 111,900,000; American Field Service, 2,500,000; American Friends Service (Quaker) 4,450,000; Y.W.C.A., 13,100,000; Catholic Welfare War Relief, 8,800,000; Refugee Relief, 6,500,000; American Jewish Joint Distribution, 44,300,000; Hebrew Sheltering and Immigrant Aid Society, 3,650,000.---USIS.

#### STATE DEPARTMENT REPORT ON ATOMIC CONTROL

OTHER NATIONS FREE TO CONDUCT PEACEFUL RESEARCH: UNO TO CONTROL "DANGEROUS" OPERATIONS

Washington, March 28 -- The U.S. State Department made public tonight a 78-page report recommending establishment of an atomic development authority under the United Nations Organization to conduct all intrinsically "dangerous" operations in the development of atomic energy.

The report defines dangerous operations as all activities relating to raw materials, the construction and operation of production plants and the conduct of research in explosives. Under the proposed recommendations individual nations and their citizens would be free to conduct, under license and minimum of inspection, all non-dangerous, or safe, operations.

The report was prepared by a board of five consultants under the direction of a five-man committee appointed by the Secretary of State on January 7, in anticipation of the establishment of an atomic energy commission by the United Nations Organization.

The five-man State Department committee is headed by Under Secretary of State Dean Acheson as chairman. The other four members are Dr. Vannevar Bush, director of the U.S. Office of Scientific Research and Development; James B. Conant, chairman of the National Defense Research Committee; Major General Leslie R.Groves, director of the atomic bomb project; and John J. McCloy, wartime assistant secretary of war.

The five-man board of consultants is headed by David E. Lilienthal, chairman of the Tennessee Valley Authority. Other members are Chester I. Barnard, president of the New Jersey Bell Telephone Company; Dr. J. Robert Oppenheimer, of the California Institute of Technology and the University of California; Dr. Charles Allen Thomas, vice president and technical director of the Monsanto Chemical Company; and Harry A. Winne, vice president in charge of engineering policy of the General Electric Company.

Secretary of ....

Secretary of State Byrnes, in a foreword to the report, emphasized the consultant's observation that the recommendations were not intended as a final plan but a place to begin, a foundation on which to build. The Secretary also cited a statement by the committee regarding the work of the consultants as "the most constructive analysis of the question of international control we have seen and a definitely hopeful approach to a solution of the entire problem."

"The intensive work which this document reflects and the high qualifications of the men who were concerned with it," the Secretary wrote, "make it a paper of unusual importance and a suitable starting point for informed public discussion, which is one of the essential factors in developing a sound policy. The document is being made public, not as a statement of policy but solely as a basis for such discussion."

#### Best Prospects For Security

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Under Secretary Acheson, in a letter transmitting the report to Secretary

Byrnes, recommended it as "the framework within which the best prospects for both
security and development of atomic energy for peaceful purposes may be found."

"In particular," he wrote, "we are impressed by the great advantages of an international agency with affirmative powers and functions, coupled with powers of inspection and supervision, in contrast to any agency with merely police-like powers attempting to cope with national agencies otherwise restrained only by a commitment to outlaw the use of atomic energy for wer. In our judgment, the latter type of organization offers little hope of achieving the security and safeguard we are seeking.

"We are impressed also by the aspect of the plan which concentrates in the hands of the international agency only the activities which it is essential to control because they are dangerous to international security, leaving as much freedom as possible to national and private research and other activity."

Under Secretary Acheson stressed two matters of importance brought out in the report -- the disclosure of information not now generally known, and the assumption

or transfer of authority to the international agency over the physical aspects of atomic development.

Regarding disclosure of information, Acheson outlined progressive stages for the disclosure of four categories of information. The first three would be general information required for discussion of the proposals by the United Nations, scientific knowledge necessary for actual establishment of the control organization, and the technological "know-how" required when the organization began actual production. The fourth category of information -- on the construction of the bomb -- would not be essential, he said, until the Organization was ready to assume responsibility for research in the field of explosives.

Regarding the transfer of authority over physical assets, Acheson said that one of the basic decisions of high policy would be for what period of time the United States would continue to manufacture bombs. He pointed out that the plan does not require a cessation of manufacture by the United States but that at some stage in the development of the plan this would be required.

"That decision, whenever made," he said, "will involve considerations of the highest policy affecting our security and must be made by our Government under its constitutional processes and in the light of all the facts of the world situation."——USIS.

## CHINA OFFERS FELLOWSHIPS TO U.S. SERVICEMEN

Washington, March 27 -- The State Department revealed today that it has been informed that the Chinese ministry of education recently announced an offer of ten fellowships to American servicemen who served in the China theater during the war.

These fellowships, which have been established by the Sino-American Cultural Service and will be available from 1946 to 1949, will provide stipends of 1,500 dollars for a year's work in Chinese studies at an American institution. Recipitants of the fellowships, if found satisfactory, may apply for an extension of one or two years, which may be spent in research in China.---USIS.

#### U.S. AGRICULTURE DEPARTMENT REPORTS OF FOOD SHORTAGES

Washington, March 27 -- The Department of Agriculture today issued a brief report on developments in the food situation in a number of foreign countries, including the United Kingdom, the Netherlands, Germany, Italy, Argentina, France and Poland, based on data compiled by the Office of Foreign Agricultural Relations of the Department during March.

French officials report that the fats and oils situation in France has become desperate. Distribution of the ration of 600 grams (about 21 ounces) a month is on an average two months behind. This compares with the average prewar consumption of 1,200 grams, plus considerable amounts of fat cheese not available to day.

From Warsaw it was reported that the average weight of infants being examined in public health clinics in Poland is 30 per cent lower than prewar.

In Italy, competent authorities emphasized that a further lowering of the bread ration of 225 grams (about eight punces) daily could not be avoided if minimum wheat arrivals during March could not be maintained. Soya and out flour are being shipped into Italy to supplement scarce wheat and flour supplies.

In England, John Hynd, Chancellor of the Duchy of Lancaster and cabinet minister responsible for the British occupation zone in Germany, declared that unless 150,000 tons of grain arrivo in Germany before the end of March some Germans will have 700 or even 450 calories of food a day, the report said.

The report also pointed out that Argentine foreign minister Juan Cooke has announced cancellation of the agreement with Spain providing for exchange of Argentine wheat for Spanish iron and steel. Cooke said Argentina was no longer interested in acquiring iron from Spain and that no more wheat would be shipped to that country this year.---USIS.

#### U.S. ARMY REDUCES BREAD RATION

Washington, March 27 -- The War Department today announced plans for cooperating in the United States program to conserve grain so that a larger surplus may be made available for the hungry people of other nations.

At approximately the same date in mid-April that the new emergency 80 per cent extraction flour goes into foods for civilians under the general economy program, the Army will begin supplying the emergency flour to troops in the United States. Both Army and civilian stocks of the present 72 per cent extraction flour are expected to be exhausted simultaneously.

The Army also plans to reduce its bread rations from 15 to 12 pounds per 100 men per meal, which, with the use of emergency flour, is expected to save 18,967,794 pounds of cleaned grain wheat between April 15 and the end of the year.---USIS.

U.S.-FRENCH AIR AGREEMENT SIGNED

Washington, March 28 — The State Department has announced the conclusion of a bilateral air transport agreement between the United States and France, signed in Paris yesterday morning by the American ambassador to France, Jefferson Caffery, and the French minister of foreign affairs. Georges Bidault.

The new agreement is similar to the bilateral agreement concluded between the United States and the United Kingdom at Bermuda February 11. In addition to reciprocal exchange of transit rights and stops for non-traffic purposes, airlines of the United States have the right of commercial entry into Paris, Marseilles, Algiers, Tunis, Dakar, Pointe Noire, Brazzaville, Guadaloupe, Martinique, French Guiana, New Caledonia, Saigon and Hanoi. French air services have the right of entry to United States territory at New York, Washington, Chicago, Boston, the UNO site, and Puerto Rico.

The new agreement is effective immediately and subject to termination on one year's notice. --- USIS.

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"No practicable measures we could take would assure us of an adequately large and continuing supply of natural rubber to meet all our essential rubber needs under every possible condition. The United States must therefore possess at least the nucleus of a large, healthy and fully developed synthetic rubber industry, capable of rapid expansion in time of emergency."

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- 3. Until ample supplies of natural rubber are assured, all but a few synthetic rubber plants should be maintained in operation or stand-by condition.
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rubbor exceeds the supply.

6. Consistent with natural rubber receipts and the necessity for building up an inventory of natural rubber, the proportions of natural rubber permitted to be used in civilian products should be gradually increased.

7. Manufacturers should be alloted small amounts of natural rubber for experital purposes, since throughout the war little experimentation was possible.

8. Until such time as private enterprise assumes the responsibility, Government must of necessity continue to own and operate sufficient synthetic rubber capacity to meet the needs of the domestic economy.

- 9. The Government would continue to sponsor broad rubber research programs.
- 10. Some form of national rubber supervision should be established in which all Government agencies having responsibility in the rubber field would be represented.

In making long-term recommendations, the committee said that, regardless of cost, sufficient synthetic rubber capacity should be continuously maintained in production and use to meet at least one-third of the United States rubber requirements, exclusive of special-purpose rubber requirements. This involves minimum consumption of general-purpose synthetic rubber of about 150,000 long tons per year, the report said. The total of general-purpose synthetic rubber plants in operation or stand-by would approach a capacity of about 600,000 long tons yearly, which is about 60 per cent of the present capacity, according to the committees estimate. Private ownership and operation of the synthetic rubber industry should be a major objective, the report declared.

William L. Batt is chairman of the committee, which includes representatives from the State, War, Navy, Justice and Commerce departments, the Roconstruction Finance Corporation, the Office of Rubber Reserve, the Rubber Development Corporation and the War Assets Corporation.---USIS.

# FOR IMMEDIATE RELE American News,



THE UNITED STATES, INFORMATION

#### ANGLO-AMERICAN LEND-LEASE AND SURPLUSES AGREEMENT

293 HORNBY ROAD

Washington, March 27 -- The State Department today released detail settlement of lend-loase, reciprocal aid, surplus war property and claim reached by the United States and Great Britain, through an agreement con December 6, 1945, and signed today by Dean Acheson, acting United States of State, and Lord Halifax, British ambassador,

The State Department summarized the subjects covered and agreements as follows:

Agreement 1 -- Lend-lease and reciprocal aid pipelinos and offset arrangements: This covers the delivery of the lend-lease and reciproc/ "pipelines" after V-J Day, consisting generally of goods in process of or delivery on that date. The "pipolines" are to be paid for on the actual costs. The bills will be accumulated and, together with the claims indicated in Agroement 2, will be offset against each other, part of the amount due to the United States in the settlement.

Agreement 2 -- Inter-Governmental claims: This lists the ho settled claims of each government accepted by the other arising and provides for waiver of all other unsettled war claims between ments.

Agreement 3 -- Civilian holdings: This transfers title held by the United Kingdom civilian authorities and reciprocy the United States civilian authorities on V-J Day, both of y for as part of the 650-million-dollar settlement provided if of December 6, 1945.

Agreement 4 -- Military holdings: This covers the 1 United Kingdom armed forces (except petroleum, ships and/ reciprocal aid stocks held by United States armed forces rotains full recapture rights, but has indicated that # to exercise these rights. The United Kingdom is resport ments for returns requested by the United States. The be obtained for any transfers of such holdings for mi/ ments and for diversions for civilian use in countri/ and its colonial dependencies. Comparable provision military retransfers cover reciprocal aid stocks he forces.

#### U.S. Aircraft For Britain

Agreement 5 -- Non-combat aircraft: This transfers title to specified lend-lease transport type aircraft (and spares) retained by the United Kingdom for military and civilian use, and provides for leasing additional transport aircraft. Payment will be made as part of the 650-million-dollar settlement provided in the joint statement of December 6, 1945. Other transport aircraft are to be returned to the United States. Combat aircraft are governed by the Military Holdings Agreement No.4.

Agreement 6 -- Potroleum: This defines the United States lend-lease share of petroleum stocks held by the United Kingdom and the United Kingdom reciprocal aid share of stocks held by the United States authorities. Each government may withdraw specified amounts of petroleum products from its share of stocks for use by its military forces without payment to the other. Title to lend-lease stocks other than those reserved for withdrawal by United States authorities is transferred to the United Kingdom. Similarly, United Kingdom reciprocal aid stocks are transferred to the United States authorities. Payments for stocks so transferred will be made as part of the 650-million-dellar settlement provided in the joint statement of December 6, 1945.

Agreement 7 -- Installations: Each government acquires the lend-lease or reciprocal aid component of installations located within its territory. Payment for installations so acquired will be made as part of the 650-million-dollar settlement provided in the joint statement of December 6, 1945. Each agrees that in the use and disposition of such installations, it will not discriminate against the nationals of the other government. Lend-lease installations in third countricare to be disposed of by mutual agreement.

Agreement 8 -- United States surplus property and surplus installations in the United Kingdom: This transfers to the United Kingdom, subject to certain restrictions, all United States Army and Navy surpluses in the United Kingdom. Payment for such surpluses will be made as part of the overall financial settlemen provided in the joint statement of December 6, 1945.

Agreement 9 -- Tort claims: The United Kingdom has agreed to process damage claims arising before December 31, 1949, against the United States resulting from the presence of United States forces in the United Kingdom, thereby relieving our Army and Navy of the necessity of maintaining large claims commissions there. The United States has made a similar undertaking as to claims against the United Kingdom arising before February 28, 1946. The amounts paid by each government will be included in offset provided by Agreement No.1.---WSIS.

#### 650-MILLION-DOLLAR SETTLEMENT ENDS LEND-LEASE

Washington, March 28 -- The agreement on lend-lease and reciprocal aid pipelines and offsetting arrangements concluded today between the United States and United Kingdom contains many claims and counter-claims illustrating the complexity of a war that extended around the world.

Official sources pointed out that the 650-million-dollar settlement of the U.S. lend-lease agreement with the United Kingdom is divided into two categories. The first, second and ninth agreements cover the 118-million-dollar settlement for adjustable items which may eventually reach a larger or smaller sum.

The balance of 532 million dollars covers the remaining six agreements, all of which . . .

which are general inventory items and which, with the exception of agreement that relating to surplus property, are all under lend-lease.

Officials said that the 650-million-dollar settlement is final and terminates and-lease relations of the two countries. However, certain specific and technical reements are still to be worked out. The lend-lease settlement is included in agreement, now before the U.S. Congress, providing for repayment 50 years after 1951.

Meanwhile, all commitments between the two governments after January 1 have en conducted on a commercial cash basis. Among the adjustments requiring special tention are those dealing with rubber prices and petroleum.

Officials estimated the value of United States property now in the United ngdom and included in the 532-million-dollar category at 50 million dollars.

#### ansactions Were Complex

One of the charges against the U.S. Government illustrating the complexity of end-lease transactions was for 1,450,000 dollars in freight and handling charges in South American meat transferred to Soviet Russia under lend-lease. It was exlained that in 1943 the United States had asked Britain to deliver to Russia tocks of South American meat already delivered to the United Kingdom. Britain elivered the meat to Russia and referred the charges for previous shipment from outh America to the lend-lease account.

Under Agreement 5, the United States transfers to Britain full title to 72
-47 Douglas transport aircraft for operation by British civil airlines. Full
itle to 600 other similar aircraft and 18 transport Liberator type planes also is
ransferred to Britain under condition that if they should become surplus to
ritish military requirements, they will not be sold or loaned to third countries
ithout the consent and agreement of the U.S.

Agreement eight, on U.S. Army and Navy surplus property in the United Kingdom, provides that Britain take title to all movable articles and all interests of the .S. War and Navy departments in the United Kingdom which have been declared as surplus to the office of the Foreign Liquidation Commissioner of the United States.

Britain agrees in return to make available to UNRRA for purchase at fair and reasonable prices any property transferred under the agreement.

Agreement four provides that lend-lease articles may be disposed of for civilan use outside the British Empire only after the United States has been offered nd has declined their return and has approved of such disposal.---USIS.